



# City of Conyers, Georgia Comprehensive Annual Financial Report Year Ended June 30, 2013

Prepared by:  
Department of Finance & Administration

Chief Financial Officer: Isabel Rogers  
CPA: Twan L. Leonard

**CITY OF CONYERS, GEORGIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2013**

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## **INTRODUCTORY SECTION**



CITY OF  
**Conyers**

**Mayor**

Randal S. Mills

**City Council**

Chris Bowen

John Fountain

Vince Evans

Cleveland Stroud

Gerald Hinesley Sr.

**City Manager**

Tony Lucas

**Chief Financial Officer**

Isabel Rogers

**Chief Operating Officer**

David Spann

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TRANSMITTAL LETTER  
CITY OF CONYERS  
GEORGIA

November 18, 2013

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of Conyers:

State Law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Conyers for the fiscal year ended June 30, 2013.

This report consists of management's representations concerning the finances of the City of Conyers. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Conyers has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Conyers' financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Conyers' comprehensive framework of internal controls, has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Conyers' financial statements have been audited by Mauldin & Jenkins, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Conyers for the fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Conyers' financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Conyers' MD&A can be found immediately following the report of the independent auditors.

## **Profile of the City**

The City of Conyers is a municipal corporation created and existing under the laws of the State of Georgia. Conyers is located in the eastern edge of the Atlanta Metropolitan Area, approximately 24 miles east of the City of Atlanta. Conyers is the county seat of Rockdale County, and is the only incorporated city within Rockdale County. The City, originally chartered in 1854, presently has a land area of approximately 11.81 square miles. The City provides a full range of services to approximately 15,195 citizens. Included in these services are traditional municipal functions such as public police protection, sanitation services, security alarm monitoring and maintenance, culture and recreation, street maintenance, stormwater and environmental services.

Policy-making and legislative authority are vested in a governing council consisting of the mayor and five other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the city manager and the city attorney. The city manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with four council members elected every two years. The mayor is elected to serve a four-year term also. All of the council members are elected by district. The mayor is elected at large.

The annual budget serves as the foundation for the City's financial planning and control. The Chief Financial Officer may revise appropriations within each department. However, transfers of appropriations between departments and the appropriation of additional funds, require the special approval of the City Council in the form of a budget amendment.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Conyers operates.

**Local economy:** The City of Conyers currently enjoys a favorable economic environment and local indicators point to continued stability. The region has a varied manufacturing and industrial base that adds to the relative stability of the unemployment rate. The City's financial forecast for the next five years indicates neutral economic growth. This analysis is based in large measure, on the financial trend analysis of key indicators such as taxable property values and population growth.

Impact numbers provided by the U.S.Travel Association, who conducted an annual study for the Georgia Department of Economic Development (GDEcD), reflect that locally, tourists spent approximately \$113 million in Conyers and Rockdale County in fiscal year 2012.

Conyers and Rockdale County ranked an impressive 29<sup>th</sup> out of Georgia's 159 counties in the ranking of counties by tourists' expenditure levels. In 2012, tourism in Georgia generated more than \$24 billion and supported nearly \$7.5 billion in payroll income for employees, a 1.5% increase from 2011. Georgia's state and local governments realized more than \$1.7 billion in tax revenue from visitor expenditures in fiscal year 2011.



## **Long Term Financial Planning**

### **Zoning and Land-Use Planning**

The Department of Planning and Inspections is dedicated to constantly evaluating zoning and land-use planning throughout the city of Conyers. In the best interest of future development and ongoing redevelopment within the city limits, the Department of Planning and Inspections has recommended study and potential action in the coming year of creating a new zoning district, the Mixed-Use District (MxD), to better accommodate the city's potential for beautification, new development, connectivity and economic development.

Another priority identified by Planning and Inspections, which is supported by the City Council, is updating the sign ordinance to improve the aesthetics and appearance of commercial corridors in the city by discouraging, as well as reducing, sign clutter. Likewise, the creation of an ordinance specific to the commercial district of Old Town Conyers regarding street furniture, tables, chairs and sidewalk signage is also a project aimed at improving the aesthetics of the historic downtown area.

Finally, the continued evaluation of the Opportunity Zone and associated job tax credits remains a priority in that the Opportunity Zone will provide incentive for new businesses to open within the zone and serve as stimulus for the local economy.

### **Relevant Financial Policies**

Throughout the years, the Finance Department administers the financial policies outlined by the council. These policies address fund balances, the use of onetime revenues, issuance of debt, purchasing and procurement, capital expenditures, cash and investment management, and accounting practices. In totality, these policies formulate the core criteria for which internal evaluations occur. Each year at the council retreat, the Chief Financial Officer is responsible for the reporting and addressing of the financial management of these policies.

### **Major Initiatives**

#### ***Public Works and Transportation***

What began as a seemingly simple solution to streamlining services and saving money for city taxpayers has resulted in a one-of-a-kind public/private partnership that's creating winning solutions for both the city of Conyers and Pratt Industries. As a result of contracting with the city for sanitation and recycling services, Pratt Industries has invested \$3.9 million to date in what is dubbed as its first "eco-campus" in North America. \$3.9 million has been invested in a regional solid waste transfer station that opened in Conyers in September 2013 and over the next two years, Pratt will be constructing and opening a 70,000 square feet, regional \$10 million material recovery facility (MRF). Haulers from around our region will travel to Conyers to bring items as part of the "recovery approach vs. disposal approach" mentality and provide an additional revenue stream for the city of Conyers.

The anticipated tax revenue to the city from the newly opened transfer station and under-construction MRF is estimated at over \$75,000 annually. This tax revenue, in addition to the host fees, is significant revenue for the city and results in savings by the city no longer maintaining or purchasing sanitation equipment and vehicles.

## ***Public Safety***

The Conyers Police Department is committed to providing public safety resources for the citizens of Conyers and the thousands that commute to and through our community on a daily basis. In keeping with this mission, the Mayor and Council and the Conyers Police Department endeavor to make the following priorities:

- The Conyers Police Department will manage all requirements necessary to maintain state certification through the Georgia Association of Chiefs of Police and international law enforcement accreditation through the Commission on Accreditation for Law Enforcement Agencies (CALEA).
- The Citizen Police Academies will continue to be a focus for the department. There will be a minimum of one Citizen Police Academy, one Senior Police Academy and one Junior Police Academy conducted during the year.
- The Volunteers in Police Services (VIPS) program will continue to be developed with the goal of adding additional volunteers recruited from Citizen Police Academy alumni and other sources.
- The Conyers Police Department will fully implement the “Below 100 Initiative” in an effort to reduce the number of avoidable traffic collisions involving police vehicles which will ultimately save lives. The “Below 100 Initiative” is a national program aimed at reducing officer line of duty deaths to below 100 annually. The program has five basic points which are “Wear your belt, Wear your vest, Watch your speed, WIN—What’s Important Now? And Remember: Complacency Kills!”. These five basic tenants are designed to remind officers of what they need to do to keep safe.
- The police department will begin to implement a fully qualified Special Weapons and Tactics (S.W.A.T.) Team that will include tactical entry members, a counter sniper and hostage negotiation personnel.
- The police department will begin to implement a fully operational Serious Traffic Accident Response Team that will respond to and work serious accidents in the Conyers city limits.
- A fully operational street level narcotics and highway interdiction function that supports and augments the operations of the Rockdale County / City of Conyers Vice Unit will be implemented by the police department.
- A crime awareness and prevention campaign will be undertaken at Rockdale County High School. This program will teach techniques to students so that they can avoid being victims of crime. The goal of this program is to reduce thefts at the high school.
- Through crime analysis, enforcement and prevention, the City of Conyers Police Department will work to achieve a reduction in Part I Crimes in calendar year 2013 compared to calendar year 2012.
- The police department will implement and deploy a citywide camera system that will be used to aid the department in crime prevention and criminal apprehension. All applicable personnel will be trained on the functions and use of the system.

- Through the utilization of equipment funded by a grant from the Governor's Office of Highway Safety and mandated Responsible Alcohol Sales and Service educational programs, the City of Conyers will show an increase in the public's perception of the department's ability to positively influence highway safety.
- The Conyers Police Department will begin to develop a patrol level crime scene function that will augment the crime scene investigator in the Criminal Investigations Division by enabling patrol officers to process minor crime scenes.

### ***Cherokee Run Golf Club***

Since assuming operations of Cherokee Run Golf Club in September 2010, there is much to accomplish in ways of improvement of the grounds and facilities at Cherokee Run.

- Continue with our aggressive maintenance program and beautification of the golf course and surrounding property.
- Partner with the PGA of America, the GSGA, and the USGA to establish Cherokee Run Golf Club as an official site to hold qualifiers and/or championships.
- Use the Conyers Golf Academy as a catalyst to grow junior golf, high school golf, and improve the golfing ability for the local citizens.
- Continue our affiliation with our "Play and Stay Premiere Partnership" agreement with the Golf Channel, Golf Now and Hawthorne Suites to establish Cherokee Run Golf Club as a destination golf course.
- Increase memberships through incentive programs.
- Continue to establish Cherokee Run clubhouse as the place to have meetings, weddings, receptions, and parties.
- To have Cherokee Run Golf Club as a profitable asset for the citizens of Conyers.
- Market and establish Cherokee Run Golf Club as the best municipal or daily fee golf course in the Atlanta region.
- Increase golf rounds by 20%.

It is the goal of the City Council and staff of the city of Conyers to make each golfer, diner or special event attendee's experience at Cherokee Run Golf Club memorable and one they'll want to experience again and again. It is the intent of the staff of the City of Conyers to make Cherokee Run Golf Club a notable, must-play course in Georgia and throughout the southeast.

### ***Planning and Zoning***

The Department of Planning and Inspections is dedicated to constantly evaluating zoning and land-use planning throughout the city of Conyers. In the best interest of future development and ongoing redevelopment within the city limits, the Planning and City Services is committed to the following goals for fiscal year 2013-2014.

- Complete Inventory of stormwater structures through GIS.
- Update database of all city street right-of-ways through GIS.
- Amend Tree Preservation and Landscape Regulations.
- Amend Olde Town Overlay District Regulations.
- Update the inventory of all sidewalks on public right-of-ways.
- Rezone the West Avenue corridor to Gateway Village (GV) Neighborhood Village (NV).
- Revise and amend Sign Regulations.
- Update and amend Permitted use table in Zoning Regulations.
- Revise and amend Home Occupation Regulations.
- Revise and amend Traditional Neighborhood Design District.
- Develop an Apartment Renter's Regulations to establish guidelines for registration and licensing.
- Upgrade Code Enforcement software to track each inspector's activity.

### **Awards and Acknowledgments**

**Awards:** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Conyers for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Conyers has received a Certificate of Achievement for the last twenty (20) consecutive years (fiscal years ended 1993-2012). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to the City of Conyers for its annual budget for the fiscal year ended June 30, 2013. The City of Conyers has received the Distinguished Budget award for the last twenty-two (22) consecutive years (fiscal years ended 1992-2013). In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device. The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements and we have submitted it to GFOA to determine its eligibility for another award.

**Acknowledgements:** The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Department of Administration. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We would also like to thank the Mayor and City Council for the support they have given us in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Isabel Rogers  
Chief Financial Officer



Tony Lucas  
City Manager



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

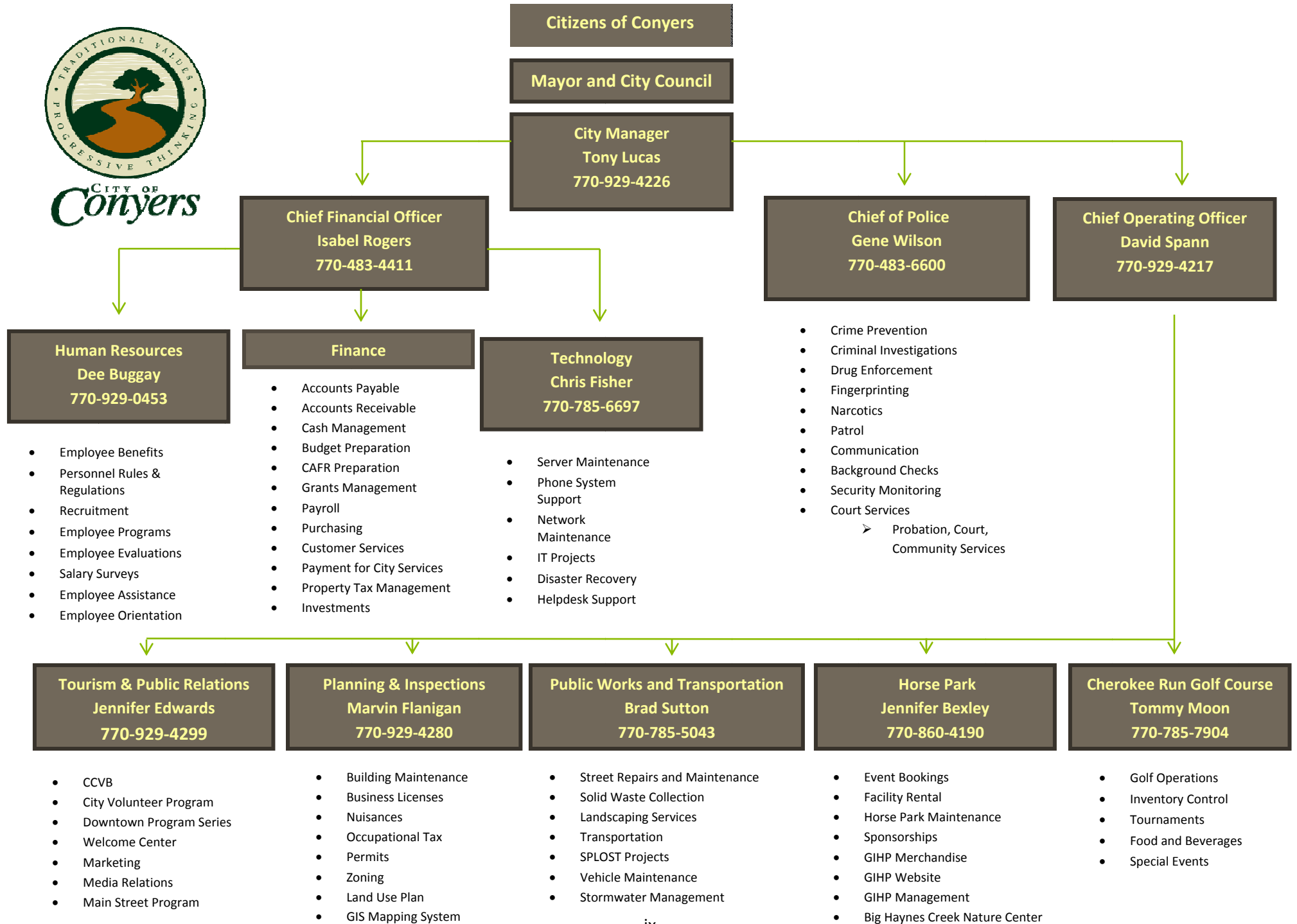
Presented to

**City of Conyers  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO



**City of Conyers, Georgia**  
**List of Elected and Appointed Officials**  
**June 30, 2013**

**Elected Officials**

Mayor	Randal S. Mills
Council Member: District 1	Cleveland Stroud
Council Member: District 2 Post 1	Chris Bowen
Council Member: District 2 Post 2	Vince Evans
Council Member: District 3	Gerald Hinesley Sr.
Council Member: District 4	John Fountain

**Appointed Officials**

City Manager	Tony Lucas
Chief Financial Officer	Isabel Rogers
Chief Operating Officer	David Spann
Chief of Police	Gene Wilson
Director of Planning & Inspections	Marvin Flanigan
Director of Georgia International Horse Park	Jennifer Bexley
Director of Public Relations & Tourism	Jennifer Edwards
Director of Public Works & Transportation	Brad Sutton
Director of Personnel	Dee Buggay
Director of Technology	Chris Fisher
Director of Golf/General Manager	Tommy Moon
Finance Manager	Yvonne Glumb
City Clerk	Pat Smith
City Attorney	Mike Waldrop
CPA	Twan Leonard



## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

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To the Honorable Mayor and Members  
of the City Council  
Conyers, Georgia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Conyers, Georgia** (the "City"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Conyers, Georgia, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note A, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, as well as Statement No. 65, *Items Previously Reported as Assets and Liabilities*, as of July 1, 2012. Our opinion is not modified with respect to this matter.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 14), the budgetary comparison information, infrastructure information, pension information, and OPEB information (on pages 66 through 72) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, schedules of special purpose local option sales tax proceeds, discretely presented component unit financial statements, and the capital assets used in the operation of governmental funds section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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The combining and individual nonmajor fund financial statements and schedules, schedules of special purpose local option sales tax proceeds, discretely presented component unit financial statements, and capital assets used in the operation of governmental funds section are the responsibility of management and were derived and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain limited additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, schedules of special purpose local option sales tax proceeds, discretely presented component unit financial statements, and capital assets used in the operation of governmental funds section are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Conyers, Georgia's basic financial statements. The introductory section and the statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
November 18, 2013

## Management's Discussion and Analysis

As management of the City of Conyers, we offer readers of the City of Conyers' financial statements this narrative overview and analysis of the financial activities of the City of Conyers for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vi of this report.

### Financial Highlights

- The assets of the City of Conyers exceeded its liabilities at the close of the most recent fiscal year by \$25,255,844 (net position).
- The City's total net position was decreased by \$1,312,952.
- As of the close of the current fiscal year, the City of Conyers' governmental funds reported combined ending fund balances of \$6,441,933 a decrease in fund balance of \$131,448 in comparison with the prior year.
- The City has implemented GASB 63 which sets new standards for accounting and financial reporting for deferred outflows/inflows of resources and also resets the concept of Net Position as the residual of all other elements presented in a statement of financial position.
- The City has also implemented GASB 65 which reclasses certain items previously reported as assets or liabilities to deferred outflows or deferred inflows of resources. More information is contained in Note A.13 of the Notes to the Financial Statements.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Conyers' basic financial statements. The City of Conyers' basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Conyers' finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City of Conyers' assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Conyers is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Conyers that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Conyers include general government, public safety and communications, public works, and culture and recreation. The business-type activities of the City of Conyers include sanitation, stormwater, landfill, and golf operations. The government-wide financial statements can be found beginning on page 16 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Conyers, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Conyers can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Conyers maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, hotel/motel fund, and the capital projects fund, all of which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is

provided in the form of *combining statements* elsewhere in this report. The basic governmental fund financial statements can be found beginning on page 18 of this report.

**Proprietary funds.** The City of Conyers maintains only one type of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Conyers uses enterprise funds to account for its Sanitation, Stormwater, Landfill, and Golf operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sanitation, stormwater, landfill, and golf operations, all of which are considered to be major funds of the City of Conyers. The basic proprietary fund financial statements can be found beginning on page 24 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 29 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. The City of Conyers adopts an annual appropriated budget for its governmental funds except the capital projects funds. The capital project fund budget is adopted on the project length basis. A budgetary comparison schedule has been provided for the governmental funds to demonstrate compliance with this budget. Information about the City's infrastructure assets reported using the modified approach is also presented. The City also presents information concerning the City of Conyers' progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 66 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information about the City's infrastructure assets reported using the modified approach. Combining and individual fund statements and schedules can be found beginning on page 73 of this report.

## **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Conyers, assets exceeded liabilities and deferred inflows of resources by \$25,255,844 at the close of the most recent fiscal year.

By far the largest portion of the City of Conyers' net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The City of Conyers uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Conyers' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

<b>City of Conyers' Net Position</b>							
	Governmental Activities		Business-Type Activities		Total		
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
Current and other assets	\$ 10,823,936	\$ 11,026,946	\$ 85,350	\$ 80,949	\$ 10,909,286	\$ 11,107,895	
Capital assets	<u>24,726,673</u>	<u>26,179,923</u>	<u>5,830,761</u>	<u>5,996,818</u>	<u>30,557,434</u>	<u>32,176,741</u>	
Total assets	<u>35,550,609</u>	<u>37,206,869</u>	<u>5,916,111</u>	<u>6,077,767</u>	<u>41,466,720</u>	<u>43,284,636</u>	
Long-term liabilities outstanding	9,180,595	8,992,628	2,224,472	2,583,873	11,405,067	11,576,501	
Other liabilities	<u>3,332,697</u>	<u>4,233,833</u>	<u>640,770</u>	<u>905,506</u>	<u>3,973,467</u>	<u>5,139,339</u>	
Total liabilities	<u>12,513,292</u>	<u>13,226,461</u>	<u>2,865,242</u>	<u>3,489,379</u>	<u>15,378,534</u>	<u>16,715,840</u>	
Deferred Inflows of Resources	<u>832,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>832,342</u>	<u>-</u>	
Net position:							
Net investment in capital assets	22,455,361	23,519,921	5,013,768	5,223,699	27,469,129	28,743,620	
Restricted	4,617,499	3,246,289	-	-	4,617,499	3,246,289	
Unrestricted	<u>(4,867,885)</u>	<u>(2,785,802)</u>	<u>(1,962,899)</u>	<u>(2,635,311)</u>	<u>(6,830,784)</u>	<u>(5,421,113)</u>	
Total net position	<u>\$ 22,204,975</u>	<u>\$ 23,980,408</u>	<u>\$ 3,050,869</u>	<u>\$ 2,588,388</u>	<u>\$ 25,255,844</u>	<u>\$ 26,568,796</u>	

With the implementation of GASB 63 and 65, certain assets and liabilities have been reclassified to deferred outflows and inflows of resources. For 2013, the deferred inflows represent the change in the fair value of a derivative instrument.

The net position of the City's governmental activities decreased by 7.4% (\$22,204,975 compared to \$23,980,408). Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – changed from (\$2,785,802) at June 30, 2012 to (\$4,867,885) at the end of this year. The net position of our business-type activities increased by \$462,481 compared to a decrease of \$510,416 in the prior year.

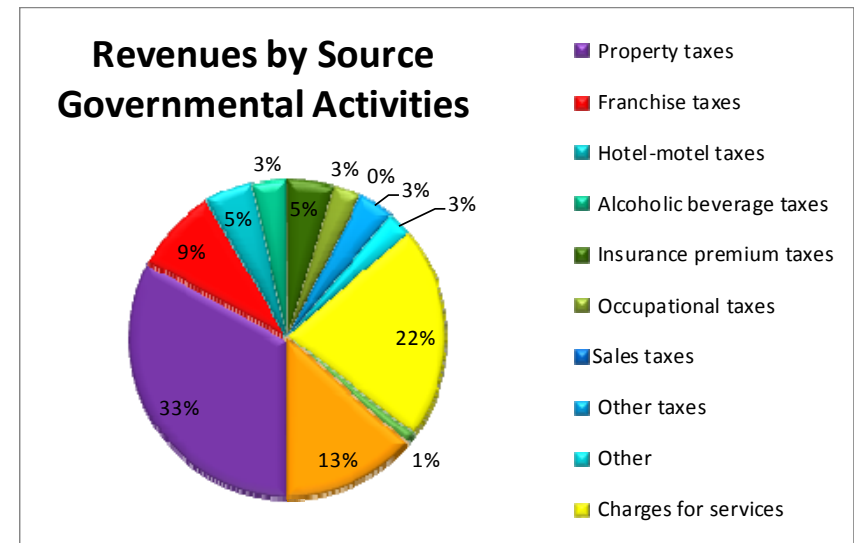
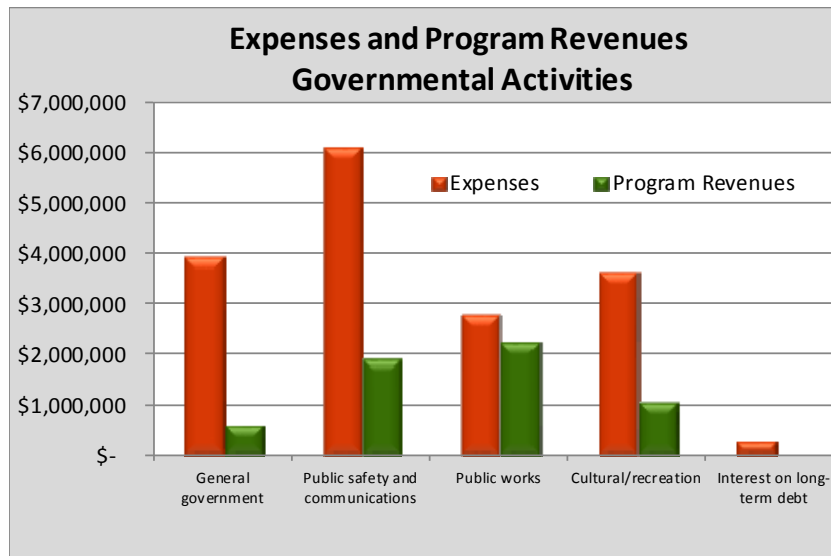


## City of Conyers' Changes in Net Position

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program revenues						
Charges for services	\$ 3,432,502	\$ 3,412,870	\$ 2,749,966	\$ 2,745,546	\$ 6,182,468	\$ 6,158,416
Operating grants and contributions	198,835	407,654	-	-	198,835	407,654
Capital grants and contributions	2,114,912	2,231,838	-	-	2,114,912	2,231,838
General revenues:						
Property taxes	5,202,127	5,362,510	-	-	5,202,127	5,362,510
Franchise taxes	1,372,350	1,477,040	-	-	1,372,350	1,477,040
Hotel-motel taxes	766,031	710,976	-	-	766,031	710,976
Alcoholic beverage taxes	565,363	603,568	-	-	565,363	603,568
Insurance premium taxes	757,016	712,709	-	-	757,016	712,709
Occupational taxes	453,832	483,379	-	-	453,832	483,379
Other taxes	565,616	450,615	-	-	565,616	450,615
Other	411,968	623,444	237,021	29,196	648,989	652,640
Total revenues	15,840,552	16,476,603	2,986,987	2,774,742	18,827,539	19,251,345
Expenses						
General government	3,924,921	4,221,525	-	-	3,924,921	4,221,525
Public safety and communications	6,118,795	6,345,778	-	-	6,118,795	6,345,778
Public works	2,796,180	2,596,497	-	-	2,796,180	2,596,497
Cultural/recreation	3,629,157	3,714,132	-	-	3,629,157	3,714,132
Interest on long-term debt	255,641	336,987	-	-	255,641	336,987
Sanitation	-	-	1,307,687	1,409,559	1,307,687	1,409,559
Landfill	-	-	50,858	39,569	50,858	39,569
Stormwater	-	-	471,356	392,300	471,356	392,300
Golf	-	-	1,585,896	1,433,827	1,585,896	1,433,827
Total expenses	16,724,694	17,214,919	3,415,797	3,275,255	20,140,491	20,490,174
Change in net position before transfers	(884,142)	(738,316)	(428,810)	(500,513)	(1,312,952)	(1,238,829)
Transfers	(891,291)	9,903	891,291	(9,903)	-	-
Change in net position	(1,775,433)	(728,413)	462,481	(510,416)	(1,312,952)	(1,238,829)
Net position beginning of the year	23,980,408	24,708,821	2,588,388	3,098,804	26,568,796	27,807,625
Net position ending of the year	<u>\$ 22,204,975</u>	<u>\$ 23,980,408</u>	<u>\$ 3,050,869</u>	<u>\$ 2,588,388</u>	<u>\$ 25,255,844</u>	<u>\$ 26,568,796</u>

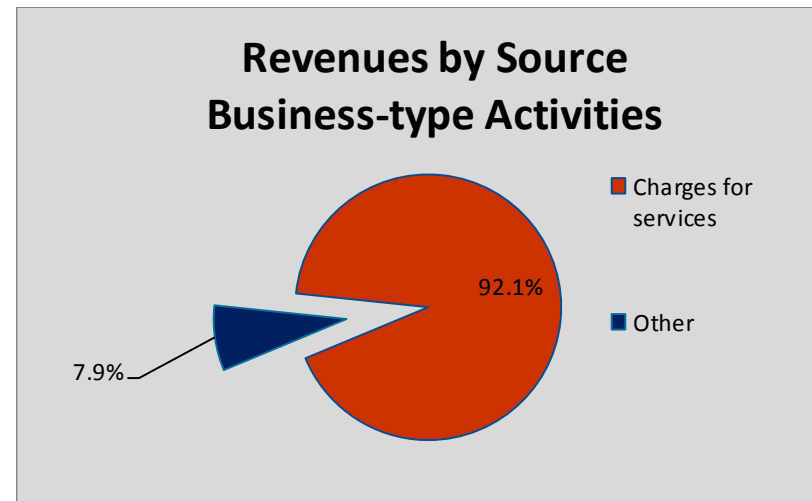
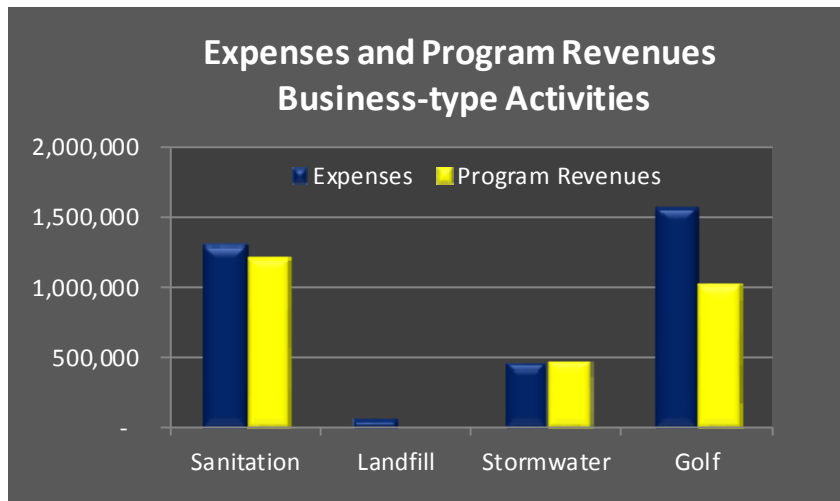
The City's total revenues decreased by 2.2% (\$423,806). The total cost of all programs and services decreased by 1.7% (\$349,683). The primary factor for the decrease in revenues is related to fewer grants received in 2013. The primary factor for the decrease in program and services was related to the decrease in technology expenditures.

**Governmental activities.** Governmental activities decreased the City of Conyers' net position by \$1,775,433.



**Business-type activities** – Revenues for the City’s business-type activities increased by \$212,245 (\$2,986,987 in 2013 compared to \$2,774,742 in 2012) and expenses increased by \$140,542 (\$3,415,797 in 2013 compared to \$3,275,255 in 2012). The main factors that led to these results were:

- Golf Fund revenues increased due to the sale of timber.
- Golf Fund expenses increased due to the purchase of new greens.



## Financial Analysis of the Government's Funds

As noted earlier, the City of Conyers uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of Conyers' *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Conyers' financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Conyers' governmental funds reported combined ending fund balances of \$6,441,933 a decrease in the fund balance of \$131,448 in comparison with the prior year. Of this amount, (\$2,681,196) is unassigned fund balance. The remainder of fund balance is not available for new spending because it has already been restricted or assigned, or is nonspendable.

The general fund is the chief operating fund of the City of Conyers. At the end of the current fiscal year, unassigned fund balance of the general fund was (\$2,653,264) while total fund balance reached \$1,815,687. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 14.2% of total general fund expenditures.

The fund balance of the City of Conyers' general fund decreased by (\$1,577,896) during the current fiscal year. The key factor in this decrease is the transfer out to other funds to help reduce deficits.

The SPLOST capital projects fund accounts for capital projects financed by a one percent sales and use tax. At fiscal year end the fund balance was \$4,307,741. The entire balance is restricted to the completion of capital projects as established by the SPLOST committee and the mayor and council prior to approval of the 1% sales tax.

The emergency telephone system fund has a total fund balance of \$8,747. The net increase in fund balance during the current year in the emergency telephone system fund was \$75,238.

The hotel/motel fund has a total fund balance of \$204,473 which is reserved to promote tourism by developing the Big Haynes Creek Nature Center. Of the 8% that the City collects from hotel/motel tax, 1 1/3% is dedicated to the development of a Nature Center.

**Proprietary funds.** The City of Conyers' proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the sanitation fund at the end of the year amounted to (\$721,262), the landfill operations amounted to (\$235,094), the stormwater amounted to (\$87,570), and the golf amounted to (\$918,973). The total increase/(decrease) in net position for all four funds was (\$91,439), \$66,182, \$132,266, and \$355,472 respectively. Other factors concerning the finances of these four funds have already been addressed in the discussion of the City of Conyers' business-type activities.

### **General Fund Budgetary Highlights**

There was a (\$595,767) difference between the net change in fund balance from the original budget and the final amended budget. This difference is due to transfers outs to other funds.

### **Capital Asset and Debt Administration**

**Capital assets.** The City of Conyers' investment in capital assets for its governmental and business type activities as of June 30, 2013, amounts to \$30,557,434 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure acquired after July 1, 2003. The total change in the City of Conyers' investment in capital assets for the current fiscal year was a \$1,453,250 decrease for governmental activities and a \$166,057 decrease for business-type activities.

Major capital asset events occurred during the current fiscal year included the following:.

- Completion of two major road projects started during fiscal years 2012 and 2011, the Main Street to Pleasant Circle project and Jimi Lane project.
- The police department purchased vehicles that cost approximately \$432,000.

**City of Conyers' Capital Assets**  
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$ 11,579,612	\$ 11,580,198	\$ 1,915,577	\$ 1,915,577	\$ 13,495,189	\$ 13,495,775
Construction in progress	566,696	342,253	40,508	396,269	607,204	738,522
Buildings	5,052,234	5,279,900	1,500,256	1,587,007	6,552,490	6,866,907
Improvements other than buildings	5,061,225	6,354,794	-	-	5,061,225	6,354,794
Infrastructure	250,000	250,000	-	-	250,000	250,000
Equipment	2,216,906	2,372,778	695,268	908,961	2,912,174	3,281,739
Stormwater control	-	-	1,679,152	1,189,004	1,679,152	1,189,004.00
	<u>\$ 24,726,673</u>	<u>\$ 26,179,923</u>	<u>\$ 5,830,761</u>	<u>\$ 5,996,818</u>	<u>\$ 30,557,434</u>	<u>\$ 32,176,741</u>

As allowed by GASB Statement No. 34, the City has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the City expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include the City's network of roads, signs, lighting, culverts, fencing, etc. The City is responsible for maintaining 144 lane miles of roads.

The City's goal is to have no more than 15% of roads in "poor" or "very poor" condition. The most recent condition assessment, completed in February 2013, indicated that .57% of roads were considered poor or very poor.

The City's fiscal year 2013 capital outlay budget, estimated spending was \$400,000 for maintenance projects. More detailed information about the City's capital assets is presented in Notes A.8 and E to the financial statements.

## Long-term debt

### City of Conyers' Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Commerce Center revenue bonds	\$ 985,000	\$ 1,440,000	\$ -	\$ -	\$ 985,000	\$ 1,440,000
GMA COP capital leases	3,555,000	3,555,000			3,555,000	3,555,000
OPEB	3,994,353	3,320,895	-	-	3,994,353	3,320,895
Compensated absences	583,856	566,203	71,593	68,173	655,449	634,376
Capital leases	62,386	110,530	177,879	325,700	240,265	436,230
Stormwater revenue bonds	-	-	975,000	1,090,000	975,000	1,090,000
Landfill postclosure care liability	-	-	1,000,000	1,100,000	1,000,000	1,100,000
	<u>\$ 9,180,595</u>	<u>\$ 8,992,628</u>	<u>\$ 2,224,472</u>	<u>\$ 2,583,873</u>	<u>\$ 11,405,067</u>	<u>\$ 11,576,501</u>

The City of Conyers' total long-term debt decreased by \$171,434 during the current fiscal year.

Additional information on the City of Conyers' long-term debt can be found in note F to the financial statements.

### Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City of Conyers is currently 9.6%, versus 10.7% a year ago. This compares to the state's average unemployment rate of 8.5% percent and the national average rate of 7.6%.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City of Conyers' budget for the 2014 fiscal year.

### Requests for Information

This financial report is designed to provide a general overview of the City of Conyers' finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Conyers Administration Office, 1184 Scott Street, Conyers, Georgia 30012.

## **BASIC FINANCIAL STATEMENTS**



**City of Conyers, Georgia**  
**STATEMENT OF NET POSITION**  
**June 30, 2013**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	The Conyers Downtown Development Authority	Main Street Foundation
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,353,377	\$ 205,762	\$ 4,559,139	\$ 22,206	\$ 13,225
Investments	2,331,074	-	2,331,074	-	-
Receivables (net)	1,215,858	795,849	2,011,707	4,490	-
Inventory	-	38,546	38,546	-	-
Prepaid items	117,243	54,792	172,035	345	-
Internal balances	1,345,485	(1,345,485)	-	-	-
Restricted cash	-	335,886	335,886	-	-
Assets held for resale	628,557	-	628,557	220,747	-
Fair value of interest rate swap	832,342	-	832,342	-	-
Capital assets not being depreciated	12,396,308	1,956,085	14,352,393	-	-
Capital assets, net of accumulated depreciation	12,330,365	3,874,676	16,205,041	-	-
Total assets	35,550,609	5,916,111	41,466,720	247,788	13,225
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 621,200	\$ 121,421	\$ 742,621	\$ 209	\$ -
Notes payable	2,000,000	-	2,000,000	-	-
Accrued salaries	536,769	38,586	575,355	-	-
Unearned revenue	174,728	480,763	655,491	-	-
Long-term liabilities					
Due within one year	675,673	316,562	992,235	5,539	-
Due in more than one year	8,504,922	1,907,910	10,412,832	283,152	-
Total liabilities	12,513,292	2,865,242	15,378,534	288,900	-
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred change in fair value of hedging derivative instruments	832,342	-	832,342	-	-
Total deferred inflows of resources	832,342	-	832,342	-	-
<b>NET POSITION</b>					
Net investment in capital assets	22,455,361	5,013,768	27,469,129	-	-
Restricted for:					
Capital projects	4,307,741	-	4,307,741	-	-
Cultural/recreation	207,473	-	207,473	-	-
Public safety	102,285	-	102,285	-	-
Unrestricted (deficit)	(4,867,885)	(1,962,899)	(6,830,784)	(41,112)	13,225
Total net position	\$ 22,204,975	\$ 3,050,869	\$ 25,255,844	\$ (41,112)	\$ 13,225

The accompanying notes are an integral part of this statement.

# City of Conyers, Georgia

## STATEMENT OF ACTIVITIES

For the year ended June 30, 2013

	Program Revenues				Net (Expense) Revenue and Changes in Net Position						
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Primary Government			Component Units			
					Governmental Activities	Business-Type Activities	Total	The Conyers DDA	Main Street		
Primary government:											
Governmental activities:											
General government	\$ 3,924,921	\$ 560,139	\$ 14,120	\$ -	\$ (3,350,662)	-	\$ (3,350,662)				
Public safety and communications	6,118,795	1,713,771	170,366	-	(4,234,658)	-	(4,234,658)				
Public works	2,796,180	140,466	-	2,114,912	(540,802)	-	(540,802)				
Cultural/recreation	3,629,157	1,018,126	14,349	-	(2,596,682)	-	(2,596,682)				
Interest on long-term debt	255,641	-	-	-	(255,641)	-	(255,641)				
Total governmental activities	16,724,694	3,432,502	198,835	2,114,912	(10,978,445)	-	(10,978,445)				
Business-type activities:											
Sanitation	1,307,687	1,235,550	-	-	-	\$ (72,137)	\$ (72,137)				
Landfill	50,858	-	-	-	-	(50,858)	(50,858)				
Stormwater	471,356	481,885	-	-	-	10,529	10,529				
Golf	1,585,896	1,032,531	-	-	-	(553,365)	(553,365)				
Total business-type activities	3,415,797	2,749,966	-	-	-	(665,831)	(665,831)				
Total primary government	\$ 20,140,491	\$ 6,182,468	\$ 198,835	\$ 2,114,912	(10,978,445)	(665,831)	(11,644,276)				
Component unit:											
The Conyers DDA	\$ 27,631	\$ 17,026	\$ -	\$ -				(10,605)	-		
Main Street	15,716	-	26,921	-				-	11,205		
Total component unit	\$ 43,347	\$ 17,026	\$ 26,921	\$ -				(10,605)	11,205		
General revenues:											
Taxes:											
Property taxes					5,202,127	-	5,202,127	-	-		
Franchise taxes					1,372,350	-	1,372,350	-	-		
Hotel-motel taxes					766,031	-	766,031	-	-		
Alcoholic beverage taxes					565,363	-	565,363	-	-		
Insurance premium taxes					757,016	-	757,016	-	-		
Occupational taxes					453,832	-	453,832	-	-		
Other taxes					565,616	-	565,616	-	-		
Interest and investment earnings					208,806	-	208,806	98	-		
Miscellaneous					203,162	237,021	440,183	-	-		
Transfers					(891,291)	891,291	-	-	-		
Total general revenues and transfers					9,203,012	1,128,312	10,331,324	98	-		
Change in net position					(1,775,433)	462,481	(1,312,952)	(10,507)	11,205		
Net position beginning of the year					23,980,408	2,588,388	26,568,796	(30,605)	2,020		
Net position ending of the year					\$ 22,204,975	\$ 3,050,869	\$ 25,255,844	\$ (41,112)	\$ 13,225		

The accompanying notes are an integral part of this statement.

**City of Conyers, Georgia**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**June 30, 2013**

	<u>General</u>	<u>SPLOST Capital Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 19,742	\$ 4,126,678	\$ 206,957	\$ 4,353,377
Investments	2,331,074	-	-	2,331,074
Receivables - net of allowances for uncollectible accounts				
Accounts	99,104	-	151,710	250,814
Taxes	345,808	-	-	345,808
Police fines	262,079	-	-	262,079
Intergovernmental	2,833	354,324	-	357,157
Prepaid items	80,564	-	36,679	117,243
Due from other funds	52,036	-	79,761	131,797
Assets held for resale	628,557	-	-	628,557
Advance to Sanitation Fund	555,495	-	-	555,495
Advance to Golf Fund	828,943	-	-	828,943
	<u>828,943</u>	<u>-</u>	<u>-</u>	<u>828,943</u>
 Total assets	 <u>\$ 5,206,235</u>	 <u>\$ 4,481,002</u>	 <u>\$ 475,107</u>	 <u>\$ 10,162,344</u>

**Continued**

The accompanying notes are an integral part of this statement.

**City of Conyers, Georgia**

**BALANCE SHEET - GOVERNMENTAL FUNDS - CONTINUED**

**June 30, 2013**

	<u>General</u>	<u>SPLOST Capital Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 501,179	\$ 65,461	\$ 41,603	\$ 608,243
Note Payable	2,000,000	-	-	2,000,000
Accrued salaries	507,380	-	29,389	536,769
Unearned revenue	82,213	107,800	33,574	223,587
Due to other fund	118,714	-	52,036	170,750
Total liabilities	<u>3,209,486</u>	<u>173,261</u>	<u>156,602</u>	<u>3,539,349</u>
Deferred inflows of resources:				
Unavailable revenue-property taxes	181,062	-	-	181,062
Total deferred inflows of resources	<u>181,062</u>	<u>-</u>	<u>-</u>	<u>181,062</u>
Fund balances (deficit):				
Nonspendable	2,093,559	-	36,679	2,130,238
Restricted	2,331,074	4,307,741	309,758	6,948,573
Assigned	44,318	-	-	44,318
Unassigned	(2,653,264)	-	(27,932)	(2,681,196)
Total fund balances	<u>1,815,687</u>	<u>4,307,741</u>	<u>318,505</u>	<u>6,441,933</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,206,235</u>	<u>\$ 4,481,002</u>	<u>\$ 475,107</u>	<u>\$ 10,162,344</u>

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

RECONCILIATION OF THE FUND BALANCE SHEET  
OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION

For the year ended June 30, 2013

Total governmental fund balance per Fund Balance Sheet	\$ 6,441,933
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	24,726,673
Other long-term assets are not available to pay for current period expenditures and therefore are unavailable in the funds.	(595,245)
Property taxes	
Derivative-effective hedge	
Net other post employment benefits obligations are not due and payable in the current period and therefore are not reported in the funds.	(3,994,353)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(4,374,033)</u>
Total net position end of year	<u>\$ 22,204,975</u>

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

For the year ended June 30, 2013

	General	SPLOST Capital Project	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Taxes	\$ 8,817,431	\$ -	\$ 766,031	\$ 9,583,462
Licenses, permits and fees	169,120	-	-	169,120
Fines and forfeitures	1,135,669	-	177,052	1,312,721
Charges for services	702,943	-	338,366	1,041,309
GIHP revenue	1,018,126	-	-	1,018,126
Other revenue	426,316	-	-	426,316
Intergovernmental	184,487	2,114,912	-	2,299,399
Total revenues	<u>12,454,092</u>	<u>2,114,912</u>	<u>1,281,449</u>	<u>15,850,453</u>
<b>Expenditures</b>				
Current				
General government	3,734,950	-	-	3,734,950
Public safety	5,228,425	-	670,700	5,899,125
Public works	1,465,243	-	-	1,465,243
Cultural/Recreation	1,616,668	-	656,063	2,272,731
Capital Outlay	-	955,955	-	955,955
Debt service				
Principal	503,144	-	-	503,144
Interest	275,774	-	-	275,774
Total expenditures	<u>12,824,204</u>	<u>955,955</u>	<u>1,326,763</u>	<u>15,106,922</u>
Excess (deficiency) of expenditures over (under) revenues	(370,112)	1,158,957	(45,314)	743,531

Continued

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS - CONTINUED**

For the year ended June 30, 2013

	<u>General</u>	<u>SPLOST Capital Project</u>	<u>Other Governmental Funds</u>	<u>Totals Governmental Funds</u>
<b>Other financing sources (uses)</b>				
Sale of capital assets	16,312	-	-	16,312
Transfers in	32,423	-	365,228	397,651
Transfers out	<u>(1,256,519)</u>	<u>-</u>	<u>(32,423)</u>	<u>(1,288,942)</u>
Total other financing sources (uses)	<u>(1,207,784)</u>	<u>-</u>	<u>332,805</u>	<u>(874,979)</u>
Net change in fund balances	(1,577,896)	1,158,957	287,491	(131,448)
<b>Fund balance, beginning of year</b>	<u>3,393,583</u>	<u>3,148,784</u>	<u>31,014</u>	<u>6,573,381</u>
<b>Fund balance, end of year</b>	<u>\$ 1,815,687</u>	<u>\$ 4,307,741</u>	<u>\$ 318,505</u>	<u>\$ 6,441,933</u>

The accompanying notes are an integral part of this statement.

**City of Conyers, Georgia**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES**

**For the year ended June 30, 2013**

Net change in fund balances - total governmental funds	\$ (131,448)
Amounts reported for governmental activities in the Statement of Activities are different because (See Note B):	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	(1,452,664)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, donations) is to decrease assets.	(586)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(22,901)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	503,144
Other post employment benefits obligations did not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(673,458)
Long-term compensated absences & accrued interest expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	2,480
	<u><u>\$ (1,775,433)</u></u>

**The accompanying notes are an integral part of this statement.**



City of Conyers, Georgia

STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS

June 30, 2013

	Business-type Activities-Enterprise Funds				
	Sanitation	Landfill	Stormwater	Golf	Total
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 890	\$ 31,464	\$ 128,115	\$ 45,293	\$ 205,762
Receivables - net of allowance for uncollectible accounts					
Accounts	39,204	-	21,255	-	60,459
Intergovernmental	-	73,926	-	-	73,926
Restricted cash	-	-	335,886	-	335,886
Due from other funds	-	-	38,953	-	38,953
Inventory	-	-	-	38,546	38,546
Prepaid items	54,167	-	625	-	54,792
Total current assets	<u>94,261</u>	<u>105,390</u>	<u>524,834</u>	<u>83,839</u>	<u>808,324</u>
<b>Noncurrent assets</b>					
Capital assets:					
Land	-	-	-	1,915,577	1,915,577
Buildings	-	-	-	1,735,006	1,735,006
Improvements	-	-	1,968,557	-	1,968,557
Equipment	1,563,201	-	153,979	694,200	2,411,380
Construction in progress	-	-	40,508	-	40,508
Less accumulated depreciation	<u>(1,317,416)</u>	<u>-</u>	<u>(381,058)</u>	<u>(541,793)</u>	<u>(2,240,267)</u>
Capital assets, net	245,785	-	1,781,986	3,802,990	5,830,761
Intergovernmental receivable - long-term	-	661,464	-	-	661,464
Total long-term assets	<u>245,785</u>	<u>661,464</u>	<u>1,781,986</u>	<u>3,802,990</u>	<u>6,492,225</u>
Total assets	<u>\$ 340,046</u>	<u>\$ 766,854</u>	<u>\$ 2,306,820</u>	<u>\$ 3,886,829</u>	<u>\$ 7,300,549</u>

The accompanying notes are an integral part of this statement.

Continued

City of Conyers, Georgia

STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS - CONTINUED

June 30, 2013

	Business-type Activities-Enterprise Funds				
	Sanitation	Landfill	Stormwater	Golf	Total
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable	\$ 19,339	\$ 1,948	\$ 14,730	\$ 85,404	\$ 121,421
Accrued salaries	17,194	-	8,053	13,339	38,586
Unearned revenue	196,536	-	237,752	46,475	480,763
Compensated absences - current	6,740	-	3,996	7,163	17,899
Current portion of capital leases payable	-	-	-	78,663	78,663
Current portion of bonds payable	-	-	120,000	-	120,000
Current portion of landfill postclosure care liability	-	100,000	-	-	100,000
Total current liabilities	<u>239,809</u>	<u>101,948</u>	<u>384,531</u>	<u>231,044</u>	<u>957,332</u>
<b>Long-term liabilities</b>					
Advance from other fund	555,495	-	-	828,943	1,384,438
Compensated absences-long term portion	20,219	-	11,987	21,488	53,694
Capital leases payable - long term portion	-	-	-	99,216	99,216
Bonds payable - long term portion	-	-	855,000	-	855,000
Landfill postclosure care liability	-	900,000	-	-	900,000
Total long-term liabilities	<u>575,714</u>	<u>900,000</u>	<u>866,987</u>	<u>949,647</u>	<u>3,292,348</u>
Total liabilities	<u>815,523</u>	<u>1,001,948</u>	<u>1,251,518</u>	<u>1,180,691</u>	<u>4,249,680</u>
<b>NET POSITION</b>					
Net investment in capital assets	245,785	-	1,142,872	3,625,111	5,013,768
Unrestricted	<u>(721,262)</u>	<u>(235,094)</u>	<u>(87,570)</u>	<u>(918,973)</u>	<u>(1,962,899)</u>
Total net position (deficit)	<u>(475,477)</u>	<u>(235,094)</u>	<u>1,055,302</u>	<u>2,706,138</u>	<u>3,050,869</u>
Total liabilities and net position	<u>\$ 340,046</u>	<u>\$ 766,854</u>	<u>\$ 2,306,820</u>	<u>\$ 3,886,829</u>	<u>\$ 7,300,549</u>

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS

For the year ended June 30, 2013

	Business-type Activities-Enterprise Funds				
	Sanitation	Landfill	Stormwater	Golf	Total
<b>Operating revenues:</b>					
Charges for sales and services:					
Sanitation fees	\$ 1,235,550	\$ -	\$ -	\$ -	\$ 1,235,550
Golf fees	-	-	-	1,032,531	1,032,531
Stormwater fees	-	-	481,885	-	481,885
Miscellaneous	-	-	-	79,894	79,894
Total operating revenues	<u>1,235,550</u>	<u>-</u>	<u>481,885</u>	<u>1,112,425</u>	<u>2,829,860</u>
<b>Operating expenses:</b>					
Cost of sales and service	1,239,051	50,858	323,415	1,364,341	2,977,665
Depreciation	<u>68,636</u>	<u>-</u>	<u>65,081</u>	<u>214,417</u>	<u>348,134</u>
Total operating expenses	<u>1,307,687</u>	<u>50,858</u>	<u>388,496</u>	<u>1,578,758</u>	<u>3,325,799</u>
Operating income (loss)	<u>(72,137)</u>	<u>(50,858)</u>	<u>93,389</u>	<u>(466,333)</u>	<u>(495,939)</u>
<b>Nonoperating income (expense):</b>					
Interest expense	-	-	(82,860)	(7,138)	(89,998)
Intergovernmental	<u>-</u>	<u>35,390</u>	<u>121,737</u>	<u>-</u>	<u>157,127</u>
Total nonoperating revenue (expenses)	<u>-</u>	<u>35,390</u>	<u>38,877</u>	<u>(7,138)</u>	<u>67,129</u>
Income (loss) before transfers	(72,137)	(15,468)	132,266	(473,471)	(428,810)
Transfers in	-	81,650	-	828,943	910,593
Transfers out	<u>(19,302)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,302)</u>
Change in net position	(91,439)	66,182	132,266	355,472	462,481
Total net position (deficit) beginning of year	<u>(384,038)</u>	<u>(301,276)</u>	<u>923,036</u>	<u>2,350,666</u>	<u>2,588,388</u>
Total net position (deficit) end of year	<u>\$ (475,477)</u>	<u>\$ (235,094)</u>	<u>\$ 1,055,302</u>	<u>\$ 2,706,138</u>	<u>\$ 3,050,869</u>

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS

For the year ended June 30, 2013

	Business-type Activities-Enterprise Funds				
	Sanitation	Landfill	Stormwater	Golf	Total
<b>Cash flows from operating activities:</b>					
Receipts from customers and users	\$ 1,228,205	\$ -	\$ 470,559	\$ 1,133,139	\$ 2,831,903
Payments to suppliers	(774,464)	(162,348)	(270,753)	(847,363)	(2,054,928)
Payments to employees	(544,615)	-	(261,003)	(496,795)	(1,302,413)
Payments for interfund services provided (used)	(444,429)	-	19,652	(186,170)	(610,947)
Net cash used in operating activities	(535,303)	(162,348)	(41,545)	(397,189)	(1,136,385)
<b>Cash flow from noncapital financing activities:</b>					
Receipts from intergovernmental agreement	-	80,698	121,737	-	202,435
Advances from other funds	555,495	-	-	(242,019)	313,476
Transfers in	-	81,650	-	828,943	910,593
Transfers out	(19,302)	-	-	-	(19,302)
Net cash provided by noncapital financing activities	536,193	162,348	121,737	586,924	1,407,202
<b>Cash flows from capital and related financing activities:</b>					
Purchases of capital assets	-	-	(182,077)	-	(182,077)
Principal paid on capital leases	-	-	-	(147,821)	(147,821)
Principal paid on bonds	-	-	(115,000)	-	(115,000)
Interest paid on capital debt	-	-	(51,577)	(7,138)	(58,715)
Net cash used in capital and related financing activities	-	-	(348,654)	(154,959)	(503,613)
Net increase (decrease) in cash and cash equivalents	890	-	(268,462)	34,776	(267,572)
<b>Cash and equivalents, at the beginning of year</b>	-	31,464	732,463	10,517	763,927
<b>Cash and equivalents, at the end of year</b>	890	\$ 31,464	\$ 464,001	\$ 45,293	\$ 541,648
<b>Classified as:</b>					
Cash and cash equivalents	\$ 890	\$ 31,464	\$ 128,115	\$ 45,293	\$ 205,762
Restricted cash	-	-	335,886	-	335,886
	\$ 890	\$ 31,464	\$ 464,001	\$ 45,293	\$ 541,648

The accompanying notes are an integral part of this statement.

Continued

**City of Conyers, Georgia**

**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS - CONTINUED**

**For the year ended June 30, 2013**

	Business-type Activities-Enterprise Funds				
	Sanitation	Landfill	Stormwater	Golf	Total
<b>Reconciliation of operating income (loss) to</b>					
<b>net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ (72,137)	\$ (50,858)	\$ 93,389	\$ (466,333)	\$ (495,939)
Adjustments to reconcile operating income (loss)					
to net cash provided by (used in) operating activities:					
Depreciation	68,636	-	65,081	214,417	348,134
(Increase) decrease in:					
Accounts receivable	(7,933)	-	(10,790)	-	(18,723)
Inventory	-	-	-	2,404	2,404
Increase (decrease) in:					
Accounts payable	(78,116)	(11,490)	(177,239)	14,703	(252,142)
Due to other funds	(444,429)	-	19,652	(186,170)	(610,947)
Accrued salaries	(77)	-	173	(1,870)	(1,774)
Unearned revenue	588	-	(536)	20,714	20,766
Compensated absences	(1,835)	-	309	4,946	3,420
Retainage payable	-	-	(31,584)	-	(31,584)
Postclosure care liability	-	(100,000)	-	-	(100,000)
Net cash provided by (used in) operating activities	<u>\$ (535,303)</u>	<u>\$ (162,348)</u>	<u>\$ (41,545)</u>	<u>\$ (397,189)</u>	<u>\$ (1,136,385)</u>

**The accompanying notes are an integral part of this statement.**

## City of Conyers, Georgia

### NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Conyers, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units.

##### 1. Reporting Entity

The City operates under a council/manager form of government and provides the following services to its citizens: public safety, street maintenance and construction, solid waste collection and disposal, parks and recreation, public improvements, security monitoring, environmental services, and general and administrative services.

As required by generally accepted accounting principles, these financial statements include the activities of the City and the following component units for which the City is considered to be financially accountable. The blended component unit, although a legally separate entity, is, in substance, part of the City's operations and is included as part of the primary government. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the City.

##### ***Blended Component Unit***

The Development Authority of Conyers, Georgia (the "Authority") was established to finance certain capital projects for the City. The Authority is governed by a seven member board appointed by the City's mayor and council. The Authority is included in these financial statements as a blended component unit since its only activity has been to act as a financing mechanism for the City. The proceeds from the sale of the Authority's bonds were received by the City's General Fund and were therefore accounted for in the General Fund. Separate financial statements are not prepared for the Authority. At June 30, 2013, the Authority had no assets, liabilities, or fund equity. In addition, during 2013, the Authority had no revenues or expenses.

##### ***Discretely Presented Component Units***

The Conyers Downtown Development Authority (the "DDA") was established to be a catalyst for revitalization, promotion, development and redevelopment of Old Town Conyers. The DDA is governed by a six member board appointed by the City's mayor and council. The City, by virtue of its appointments and the presence of the mayor on the board, controls a majority of the DDA's governing body positions. Separate financial statements are not prepared for the DDA.

The Conyers Main Street Foundation ("Main Street") was established to stimulate downtown economic development while preserving and enhancing the City's historic character. Main Street is governed by a six member board appointed by the City's mayor and council. The City, by virtue of its appointments and the presence of the mayor on the board, controls a majority of Main Street's governing body positions. Separate financial statements are not prepared for Main Street.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

**2. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and enterprise funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**3. Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues to be available if they are collected within 90 days (60 days for property tax) after year-end. Expenditures are recorded when the related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain compensated absences, are recorded only when payment is due.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Measurement Focus, Basis of Accounting and Basis of Presentation - Continued

Property taxes, franchise taxes, alcoholic and hotel-motel taxes, licenses, police fines, confiscated assets, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Other receipts and taxes become measurable and available when cash is received by the City, and are recognized as revenue at that time. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *SPLOST capital projects fund* accounts for capital projects financed by a one percent sales and use tax.

The City reports the following major proprietary funds:

The *sanitation fund* accounts for the collection and disposal of solid waste.

The *landfill enterprise fund* accounts for postclosure care costs related to the solid waste landfill which was closed in 1993.

The *stormwater enterprise fund* accounts for the Department of Environmental Services' cost to implement the Stormwater Management Plan and the National Pollution Elimination System Phase II compliance program.

The *golf fund* accounts for all of the activities at the Cherokee Run Golf Course.



City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. **Measurement Focus, Basis of Accounting and Basis of Presentation -Continued**

Additionally, the City reports the following nonmajor special revenue funds:

The *emergency telephone fund* accounts for revenues received from users of the Emergency 911 System. Revenues received from the City are paid directly from wired or wireless telecommunication providers, with expenditures occurring to maintain and run the system within the City.

The *forfeited assets fund* (formerly known as confiscated assets fund) accounts for funds received from the enforcement of drug laws and shared revenues resulting from the confiscation of property from drug offenders' arrests.

The *hotel/motel fund* accounts for the occupancy tax collected by the City from area hotels and motels, and distributed based upon state statute. The City is currently collecting this tax at a rate of 8%.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

4. **Cash, Cash Equivalents and Investments**

The City's cash and cash equivalents includes cash on hand, amounts in demand deposits, and investments with original maturities of three months or less from the date of acquisition.

**City of Conyers, Georgia**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2013**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**4. Cash, Cash Equivalents and Investments-Continued**

State of Georgia statutes authorize the City to invest in obligations of the U. S. Treasury or agencies, obligations of state and local governments, bankers' acceptances, repurchase agreements, local government investment pool sponsored by the State of Georgia and certificates of deposit in federally insured financial institutions.

Investments are stated at fair value based upon quoted market prices.

**5. Receivables and Payables**

During the course of operations, transactions occur between individual funds for goods provided or services rendered. The receivables and payables which result from these transactions are classified as "due from other funds" or "due to other funds" on the balance sheet.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 120 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 17 percent of outstanding property taxes at June 30, 2013.

Property taxes are levied based on a calendar year (January 1 through December 31). The property tax assessment is formally levied on September 1, based on property values as of the previous January 1. Tax bills are mailed in September. The billings are considered due upon receipt and become past due 60 days after they are mailed. Thereafter, penalties and interest may be assessed by the City. Property tax liens are generally filed by December 31 of each year.

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance classification in the applicable governmental fund to indicate that they are not available for appropriation and are not expendable available financial resources.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

6. Restricted Assets

Certain proceeds of the certificates of participation issued by the City, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable covenants and agreements.

Certain proceeds of the Stormwater Revenue Bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in a separate bank account and their use is limited by applicable covenants and agreements. The “stormwater projects fund” account is used to report those proceeds of revenue bonds issuances that are restricted for use in construction.

7. Inventories and Prepaid Items

The City utilizes the consumption method to report inventory and prepaid items. Under this method, items are expensed when consumed. At year end, the City had no significant unused inventory. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

8. Capital Assets

Capital assets, which include property, plant, and equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB 34, infrastructure assets acquired prior to July 1, 2003 are not reported in these financial statements since the City is a Phase III government (government with revenues less than \$10 million for the fiscal year ended June 30, 1999). Capital assets are defined by the City as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized for the fiscal year ended June 30, 2013.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

8. Capital Assets-Continued

The City has elected to use the modified approach for accounting for its roads. Under this approach, the City has made the commitment to preserve and maintain these assets at levels established by the Department of Public Works and Transportation. No depreciation expense is reported for such assets, nor are amounts capitalized in connection with improvements that lengthen the lives of such assets unless the improvements also increase their service potential. The City maintains an inventory of these assets and performs periodic condition assessments to establish that the predetermined condition level is being maintained. In addition, the City makes annual estimates of the amounts that must be expended to preserve and maintain these assets at the predetermined condition levels. Refer to the Required Supplementary Information for additional information on infrastructure using the modified approach.

Property, plant, and equipment of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	35
Improvements other than buildings	20
Infrastructure improvements (depreciable)	30
Furniture	20
Vehicles – trucks, vans, trailers	10
Vehicles – cars	5
Computer software	7
Computer hardware & office equipment	5

9. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City, except when an employee retires from the City. The retiring employee is eligible to be paid for a maximum of 720 hours. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

10. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an outflow of resources in the reporting period in which they occurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

**Fund Balance-** Generally, fund balance represents the differences between the current assets and current liabilities. Governmental funds will now report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

*Nonspendable-* Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e. items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

*Restricted-* Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

*Committed-* Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. The City Council also may modify or rescind the commitment.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

11. **Fund Equity-Continued**

*Assigned-* Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City's Chief Finance Officer to assign fund balances.

*Unassigned-* Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balance may be reported in all funds.

***Flow Assumptions-*** When both restricted and unrestricted amounts are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: committed; assigned; then unassigned.

***Net Position-*** Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e. the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other assets are reported as unrestricted.

The City's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

12. **Pension Plans**

The City provides a defined benefit pension plan to all eligible employees. It is the City's policy to fund this plan's normal cost annually, as determined by actuarial valuation. The City also provides a 457(b) deferred compensation plan and an employer matching defined contribution plan 401(a) to all eligible employees.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

**13. Deferred Outflows/Inflows of Resources**

The City implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of July 1, 2012. These new standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The City did not have any items that qualified for reporting in this category.

In addition to liabilities, the statement of revenues, expenditures and changes in fund balance will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only two types of items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Another element relates to the offset of the fair market value of the City's derivative. As the derivative qualifies as an effective hedge, the change in fair market value occurs each year, the asset and deferred inflow are adjusted.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

**1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**

The reconciliation of the fund balance of governmental funds to the statement of net position includes reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$4,374,033 difference are as follows:

Bonds payable:	\$ 985,000
Accrued interest payable	20,133
GMA COPs lease pool	3,555,000
Fair value of interest rate swap	(832,342)
Capital lease payable	62,386
Compensated absences	<u>583,856</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position- governmental activities</i>	<u>\$ 4,374,033</u>

**2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this (\$1,452,664) difference are as follows:

Capital outlay	\$ 730,516
Depreciation expense	<u>(2,183,180)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>(\$ 1,452,664)</u>



City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – CONTINUED

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$503,144 difference are as follows:

Principal repayments:

General obligation debt

\$ 455,000

Payment on capital leases

48,144

Net adjustment to increase *net changes in fund balances – total governmental funds*  
to arrive at *changes in net position of governmental activities*

\$ 503,144

Another element of the reconciliation states that “long-term compensated absences & accrued interest expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The details of this \$2,480 difference are as follows:

Long-term compensated absences

\$ (17,653)

Accrued interest expense

20,133

Net adjustment to increase *net changes in fund balances – total governmental funds*  
to arrive at *changes in net position of governmental activities*

\$ 2,480

**City of Conyers, Georgia**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2013**

**NOTE C - DEPOSITS AND INVESTMENT**

Total deposits and investments as of June 30, 2013, are summarized as follows:

	<u>2013</u>
As reported in Statement of Net Position	
Cash and cash equivalents	\$ 4,559,139
Investments	2,331,074
Restricted cash and cash equivalents	335,886
	<u>\$ 7,226,099</u>
 Cash/investments deposited with financial institutions	 \$ 4,895,025
Investments in guaranteed investments contract	2,331,074
	<u>\$ 7,226,099</u>

**Credit risk.** State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime banker's acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of June 30, 2013, the City's investment in the guaranteed investment contract was rated AA- by Standard & Poors.

At June 30, 2013, the City had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Guaranteed investment contract	June 1, 2028	\$ 2,331,074
		<u>\$ 2,331,074</u>

**Interest rate risk.** The City limits investment maturities to three years unless it is matched to a specific cash flow as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Custodial credit risk – deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

At June 30, 2013, the City did not have any deposits which were uninsured and uncollateralized as defined by GASB pronouncements.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE D – RECEIVABLES

Receivables as of year end for the City's funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>E-911</u>	<u>Hotel/Motel</u>	<u>SPLOST</u>	<u>Sanitation</u>	<u>Landfill</u>	<u>Stormwater</u>	<u>Total</u>
Receivables								
Accounts	\$ 113,983	\$ 38,795	\$ -	\$ -	\$ 40,407	\$ -	\$ 21,255	\$ 214,440
Taxes	360,616	-	192,940	-	-	-	-	553,556
Police fines	655,196	-	-	-	-	-	-	655,196
Intergovernmental	<u>2,833</u>	<u>-</u>	<u>-</u>	<u>354,234</u>	<u>-</u>	<u>735,390</u>	<u>-</u>	<u>1,092,457</u>
Total receivables	1,132,628	38,795	192,940	354,234	40,407	735,390	21,255	2,515,649
Allowance for uncollectible receivables	<u>(422,804)</u>	<u>-</u>	<u>(80,025)</u>	<u>-</u>	<u>(1,203)</u>	<u>-</u>	<u>-</u>	<u>(504,032)</u>
Net receivables	<u>\$ 709,824</u>	<u>\$ 38,795</u>	<u>\$ 112,915</u>	<u>\$ 354,234</u>	<u>\$ 39,204</u>	<u>\$ 735,390</u>	<u>\$ 21,255</u>	<u>\$ 2,011,617</u>

**City of Conyers, Georgia**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2013**

**NOTE E - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2013 was as follows:

	<b>Balance June 30, 2012</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2013</b>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 11,580,198	\$ -	\$ (586)	\$ 11,579,612
Construction in progress	342,253	224,443	-	566,696
Infrastructure	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
	12,172,451	224,443	(586)	12,396,308
Capital assets, being depreciated:				
Buildings	8,760,963	-	-	8,760,963
Improvements other than building	26,238,647	-	-	26,238,647
Equipment	<u>9,939,588</u>	<u>506,073</u>	<u>(123,583)</u>	<u>10,322,078</u>
Total capital assets being depreciated	44,939,198	506,073	(123,583)	45,321,688
Less accumulated depreciation for:				
Buildings	(3,481,063)	(227,666)	-	(3,708,729)
Improvements other than building	(19,883,853)	(1,293,569)	-	(21,177,422)
Equipment	<u>(7,566,810)</u>	<u>(661,945)</u>	<u>123,583</u>	<u>(8,105,172)</u>
Total accumulated depreciation	(30,931,726)	(2,183,180)	123,583	(32,991,323)
Total capital assets, being depreciated, net	<u>14,007,472</u>	<u>(1,677,107)</u>	<u>-</u>	<u>12,330,365</u>
Governmental activities capital assets, net	<u>\$ 26,179,923</u>	<u>\$ (1,452,664)</u>	<u>\$ (586)</u>	<u>\$ 24,726,673</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE E - CAPITAL ASSETS – CONTINUED

	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Land	\$ 1,915,577	\$ -	\$ -	\$ 1,915,577
Construction in progress	396,269	5,434	(361,195)	40,508
Total capital assets not being depreciated	<u>2,311,846</u>	<u>5,434</u>	<u>(361,195)</u>	<u>1,956,085</u>
Capital assets, being depreciated:				
Road improvements	1,430,719	537,838	-	1,968,557
Buildings	1,735,006	-	-	1,735,006
Equipment	<u>2,411,380</u>	<u>-</u>	<u>-</u>	<u>2,411,380</u>
Total capital assets being depreciated	<u>5,577,105</u>	<u>537,838</u>	<u>-</u>	<u>6,114,943</u>
Less accumulated depreciation for:				
Road improvements	(241,715)	(47,690)	-	(289,405)
Buildings	(147,999)	(86,751)	-	(234,750)
Equipment	<u>(1,502,419)</u>	<u>(213,693)</u>	<u>-</u>	<u>(1,716,112)</u>
Total accumulated depreciation	<u>(1,892,133)</u>	<u>(348,134)</u>	<u>-</u>	<u>(2,240,267)</u>
Total capital assets, being depreciated, net	<u>3,684,972</u>	<u>189,704</u>	<u>-</u>	<u>3,874,676</u>
Business-type activities capital assets, net	<u>\$ 5,996,818</u>	<u>\$ 195,138</u>	<u>\$ (361,195)</u>	<u>\$ 5,830,761</u>

Depreciation was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 160,771
Public safety	402,969
Public works	259,794
Cultural/recreation	<u>1,359,646</u>
Total depreciation expense-governmental activities	<u>\$ 2,183,180</u>

Business-type activities:

Golf	\$ 214,417
Sanitation	68,636
Stormwater	<u>65,081</u>
Total depreciation expense-business-type activities	<u>\$ 348,134</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE F - LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2013, was as follows:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
GMA certificates of participation lease pool	\$ 3,555,000	\$ -	\$ -	\$ 3,555,000	\$ -
Commerce Center revenue bonds- 04 Series	1,440,000	-	(455,000)	985,000	480,000
Total bonds payable	4,995,000	-	(455,000)	4,540,000	480,000
OPEB	3,320,895	753,138	(79,680)	3,994,353	-
Compensated absences	566,203	585,996	(568,343)	583,856	145,965
Capital leases	110,530	-	(48,144)	62,386	49,708
Governmental activity					
Long-term liabilities	<u>\$ 8,992,628</u>	<u>\$ 1,339,134</u>	<u>\$ (1,151,167)</u>	<u>\$ 9,180,595</u>	<u>\$ 675,673</u>
<b>Business-type activities</b>					
Bonds payable:					
Stormwater revenue bonds - 05 Series	\$ 1,090,000	\$ -	\$ (115,000)	\$ 975,000	\$ 120,000
Compensated absences	68,173	51,536	(48,116)	71,593	17,899
Capital leases	325,700	-	(147,821)	177,879	78,663
Landfill postclosure care liability	1,100,000	-	(100,000)	1,000,000	100,000
Business-type activity					
Long-term liabilities	<u>\$ 2,583,873</u>	<u>\$ 51,536</u>	<u>\$ (410,937)</u>	<u>\$ 2,224,472</u>	<u>\$ 316,562</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE F - LONG-TERM DEBT – CONTINUED

1. Certificates of Participation

In 1991, the City entered into an agreement with the Georgia Municipal Association ("GMA") whereby the City sold certificates of participation totaling \$1,000,000 in a lease agreement between the City and GMA for certain vehicle maintenance facilities to be constructed with proceeds of the certificates and leased by the City. The proceeds of such sale were also used to improve the City's public safety building. Interest on these certificates is paid semi-annually by the general fund, at rates ranging from 5.2% to 7%. The agreement expires December 31, 2013, subject to the City's right to terminate this agreement as of each December 31.

In June 1998, the City entered into a lease pool agreement with the Georgia Municipal Association (the "Association"). The funding of the lease pool was provided by the issuance of \$150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the City's participation totaling \$3,555,000. The lease pool agreement with the Association provides that the City owns their portion of the assets invested by the pool and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. The principal is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The City draws from the investment to lease equipment from the Association. The lease pool agreement requires the City to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation.

As part of the issuance of the certificates of participation, the City entered into an interest rate swap agreement. Under the Swap Agreement, the City is required to pay (1) a semiannual (and beginning July 1, 2003, a monthly) floating rate of interest based on the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index (plus a 31 basis points spread) to, or on behalf of, the Swap Counterparty (the "Swap Payment"); and the Swap Counterparty will pay to, or on behalf of, the City a semi-annual payment based on a rate equal to the fixed rate on the certificates of participation (4.75%) times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and (ii) a one-time Swap Premium to be paid on the effective date of the Swap Agreement. The semiannual payments from the Swap Counterparty with respect to the City are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Monthly interest payments between the City, the holders of the Certificates of Participation, and the Swap Counterparty can be made in net settlement form as part of this agreement. Under the Swap Agreement, the City's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the City executed this agreement with counterparties of

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE F - LONG-TERM DEBT – CONTINUED

1. Certificates of Participation-Continued

appropriate credit strength, with the counterparty being rated Aa3 by Moody's. At June 30, 2013, the floating rate being paid by the City is 0.37% and the market value of this agreement is \$832,342 a decrease of \$445,818 from the market value at the end of the previous fiscal year. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2013 based on the derivative contract. This market value is reported as an asset in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as deferred inflow in the statement of net position.

2. Commerce Center Revenue Bonds

The Development Authority of Conyers, Georgia (the "Authority"), a blended component unit of the City, issued \$4,345,000 of Series 2004 Conyers Commerce Center Revenue Refunding Bonds to provide resources to purchase U.S. Government securities. These securities were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the Series 1997 Taxable Revenue Bonds. At year-end, the aggregate principal amount of the refunded debt outstanding was \$0. For financial accounting and reporting purposes, all of the refunded bonds are considered retired, and along with the funds held in trust, are not included in the accompanying financial statements. Interest on the bonds is paid semi-annually by the general fund at a rate of 5.16%.

The City has an intergovernmental agreement with the Authority authorizing the City to levy up to 3 mills on an ad valorem tax if the sales of the property are not adequate to cover the debt payments of the bonds. Currently, a 3 mill tax levy will generate money to exceed the debt payments of the bond.

3. Stormwater Revenue Bonds

In May 2005, the City entered into an agreement with the Rockdale County Water & Sewerage Authority ("Authority") whereby the Authority issued \$1,750,000 of Series 2005 Revenue Bonds to provide resources for the City of Conyers Stormwater Utility Project. In the agreement, the City agreed to pay to the Authority the entire debt service of the bonds from the revenues derived from the operation of the Stormwater facilities. The City may also levy taxes to meet its obligation. Interest on the Bonds is paid semi-annually by the Stormwater Projects Fund at 4.86%.



City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE F - LONG-TERM DEBT – CONTINUED

3. Stormwater Revenue Bonds-Continued

Annual debt service requirements to maturity on the City's outstanding Stormwater revenue bonds were as follows at June 30, 2013:

<u>Year</u>	<u>2005 Stormwater Revenue Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2014	120,000	47,385	167,385
2015	125,000	41,553	166,553
2016	130,000	35,478	165,478
2017	140,000	29,160	169,160
2018-2020	460,000	45,441	505,441
	<u>\$ 975,000</u>	<u>\$ 199,017</u>	<u>\$ 1,174,017</u>

4. Compensated Absences

Earned and vested paid time off is recorded as a liability in the government-wide statement of net assets and the proprietary fund statement of net assets. The compensated absences have been paid in prior years mainly from the General Fund.

5. Capital Leases

The City has entered into lease agreements as a lessee for financing the acquisition of various equipment. The lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease term) and have been recorded at the present value of the future minimum lease payments as of the date of inception. The governmental activities lease is being serviced by General Fund payments with an annual interest rate of 3.21%. The business-type activities leases are being serviced by the Golf Fund with annual interest rates from 2.5% to 2.7%.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE F - LONG-TERM DEBT – CONTINUED

5. Capital Leases-Continued

The carrying value of assets subject to capital leases is as follows:

	Governmental <u>Activities</u>	Business-type <u>Activities</u>
Asset:		
Equipment	\$ 236,365	\$ 552,603
Less: Accumulated depreciation	<u>(178,624)</u>	<u>(261,046)</u>
Total	<u>\$ 57,741</u>	<u>\$ 291,557</u>

The following is a schedule of the future minimum lease payments required under these capital lease obligations and the present value of minimum lease payments at June 30, 2013:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Year ending June 30,		
2014	51,116	82,417
2015	12,779	58,236
2016	<u>-</u>	<u>43,677</u>
Total minimum lease payments	63,895	184,330
Less amount representing interest	<u>(1,509)</u>	<u>(6,451)</u>
Present value of future minimum lease payments	<u>\$ 62,386</u>	<u>\$ 177,879</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE F - LONG-TERM DEBT – CONTINUED

6. Future Debt Service Requirements

Annual debt service requirements to maturity on the City's outstanding revenue bonds and certificates of participation were as follows at June 30, 2013:

<u>Year</u>	<u>2004 Commerce Center Revenue Refunding Bonds</u>		<u>GMA Certificates of Participation Capital Lease Pool</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	480,000	50,826	-	168,863	480,000	219,689
2015	505,000	26,058	-	168,863	505,000	194,921
2016	-	-	-	168,863	-	168,863
2017	-	-	-	168,863	-	168,863
2018-2022	-	-	-	844,315	-	844,315
2023-2027	-	-	-	844,315	-	844,315
2028	-	-	3,555,000	168,863	3,555,000	168,863
	<u>\$ 985,000</u>	<u>\$ 76,884</u>	<u>\$ 3,555,000</u>	<u>\$ 2,532,945</u>	<u>\$ 4,540,000</u>	<u>\$ 2,609,829</u>

**City of Conyers, Georgia**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2013**

**NOTE G - INTERFUND RECEIVABLES AND PAYABLES**

The composition of interfund balances as of June 30, 2013, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Emergency Telephone	\$ 50,479
General	Confiscated Assets	1,557
		<u>\$ 52,036</u>
Hotel/Motel	General Fund	<u>\$ 79,761</u>
Stormwater	General Fund	<u>\$ 38,953</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

	<u>Transfer In:</u>				
Transfer out:	<u>General Fund</u>	<u>Emergency Telephone Fund</u>	<u>Golf Fund</u>	<u>Landfill Fund</u>	<u>Total</u>
General Fund	\$ -	\$ 365,228	\$ 828,943	\$ 62,348	\$ 1,256,519
Confiscated Assets	32,423	-	-	-	32,423
Sanitation Fund	-	-	-	19,302	19,302
Total transfers out	<u>\$ 32,423</u>	<u>\$ 365,228</u>	<u>\$ 828,943</u>	<u>\$ 81,650</u>	<u>\$ 1,308,244</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE G - INTERFUND RECEIVABLES AND PAYABLES-CONTINUED

Transfers are used to (1) move revenues from the fund that the budget requires to collect them to the fund that the budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The General Fund and Sanitation Fund transfer funds to the Emergency Telephone Fund and Landfill Fund, respectively, to cover operating deficits.

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Sanitation	\$ 555,495
General	Golf	828,943
		<u>\$ 1,384,438</u>

The Sanitation and Golf funds intend to repay the General Fund in the next one to two years.

NOTE H - PENSION PLANS

*Defined Benefit Pension Plan*

1. Plan Description

The City, as authorized by the City Council, has established a non-contributory defined benefit pension plan (The City of Conyers Retirement Plan) covering all full-time employees. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE H - PENSION PLANS-CONTINUED

As provided by state law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by City Council, the plan provides pension benefits and death and disability benefits for all employees that have been employed full time for one year. Members may retire on reaching the age of 65, depending on their classification. Early retirement is possible on reaching the age of 55, depending on the member's classification. In addition, police officers can retire at age 55 and 10 years of service with full benefits. Benefits are calculated at 1.0% to 1.75% of the average monthly earnings for the period of the five highest years' earnings prior to retirement.

As of January 1, 2013, the plan membership included the following categories of participants.

Retirees and beneficiaries receiving benefits	46
Terminated vested participants not yet receiving benefits	76
Active participants	<u>170</u>
Total membership	<u><u>292</u></u>

2. Funding Policy

The plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the plan is to contribute an amount equal to the recommended contribution described below. For 2013, the actuarially determined contribution rate was 12% of covered payroll. For 2013 the City's recommended and actual contribution totaled \$844,084. See the required supplementary information for actuarial assumptions.

3. Annual Pension Cost

The City's annual pension cost and net pension obligation for 2013 were computed as follows:

Annual required contribution/pension cost	\$ 844,084
Contributions made	<u>(844,084)</u>
Increase in net pension obligation	-
Net pension obligation, beginning of year	<u>-</u>
Net pension obligation, end of year	<u><u>\$ -</u></u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE H - PENSION PLANS-CONTINUED

4. Schedule of Employer Contributions

<u>Year ended</u>	<u>Recommended Pension Contribution (RPC)</u>	<u>Percentage of RPC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2013	\$ 844,084	100%	\$ -
June 30, 2012	\$ 650,000	100%	\$ -
June 30, 2011	\$ 620,000	100%	\$ -

The information presented in the supplementary information was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2013
Actuarial cost method	Projected Unit Credit
Amortization method	Closed Level Dollar Amount
Amortization period	Remaining amortization period varies for the base, with a net effective amortization period of 10 years
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 50% of market value for 2009, 44% of market value for 2010, 38% of market value for 2011, 32% of market value for 2012, 26% of market value for 2013, and 20% of market value for 2014 and later years.
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases	3.00%
Includes inflation at	0%
Merit increases at	.50%

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE H - PENSION PLANS-CONTINUED

5. Schedule of Funding Progress

The information presented below is based on the annual actuarial valuations as of January 1 of each year.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded/ (Surplus) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
January 1, 2013	\$ 8,902,991	\$ 11,444,234	\$ (2,541,243)	77.8%	\$ 7,101,455	-35.8%

The required schedule of funding progress immediately following notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2013.

*Deferred Compensation Plan*

Plan Description and Funding Requirements

The City maintains a supplemental retirement plan for employees entitled "The 457(b) Deferred Compensation Plan". Both full- time and part-time employees of the City are eligible to participate. The plan is administered by AIG VALIC as a 401(a) and 457(b) plan, as defined by the Internal Revenue Service. The City Council of Conyers is the authority to establish and amend plan provisions. At June 30, 2013 there were 55 plan members.

The contribution requirements of plan members are established and amended by the City Council. Employees may elect to contribute a portion of their pay not to exceed the IRS guidelines, into the 457(b) plan. Upon hire date for full-time and part-time employees, the City will contribute up to 2% of the salary for employees contributing to the 457(b) plan into the 401(a). The City matches 33 cents on the dollar up to 2% of the employee's salary. In order for an employee to get the maximum benefit, the employee needs to contribute 6% or more of their gross salary wages to the 457(b)



City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

**NOTE H - PENSION PLANS-CONTINUED**

*Deferred Compensation Plan-Continued*

plan. An employee will become vested in the 401(a) five years from their hire date. For the fiscal year ended June 30, 2013, the City's contribution to the 401(a) plan was \$49,177. The amount contributed by employees in the 457(b) plan was \$191,226.

**NOTE I - LANDFILL POSTCLOSURE CARE COSTS**

The landfill which had been operated by the City for the benefit of the City and Rockdale County residents was closed in September 1993. State and Federal laws and regulations require the City to perform certain maintenance and monitoring functions (postclosure care) at the site for thirty years after the certification of its closure plan by the State of Georgia. The City has recognized a liability of approximately \$1,000,000 (\$900,000 long term and \$100,000 current) for postclosure care costs based on what it would cost to perform all postclosure care at June 30, 2013. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. These costs will be funded by resources of the City and by Rockdale County. Rockdale County has agreed to fund 70% of these post closure care costs. Accordingly, a receivable from the County equal to the County's share of this liability has been recorded in the landfill enterprise fund.

**NOTE J - OTHER POST-EMPLOYMENT BENEFITS**

In accordance with GASB 45 requirements, the City of Conyers is required to attribute the cost of post retirement benefits to the time during which the employee is working for the employer. GASB 45 requires allocation of the costs of a post retirement benefit plan onto the years of active employment; it does not require the funding of such benefits. GASB 45 requirements have been implemented by the City of Conyers for the year ended June 30, 2013. The City has elected not to establish a separate trust fund to account for other post-employment benefits, and has not funded the plan as of June 30, 2013.

The City provides post-retirement health care insurance and life insurance, in accordance with City policies, to all employees who retire from the City, and meet the eligibility requirements for retirement as set forth in the City's pension plan. The City has contracted with Greater Georgia Life Insurance Company to administer post retirement life insurance benefits to all employees who retire under early or normal retirement provisions.

The City of Conyers currently contracts with Blue Cross Blue Shield of Georgia to administer post retirement health care benefits. Upon termination of employment, eligible employees are entitled to continue coverage, at their own cost. After 10 years of service, the City pays 100% of the retiree's share of the charges. Currently, 20 retirees are enrolled in post retirement health care benefits. These post-retirement benefits are funded on a pay-as-you-go-basis from the General Fund. In 2013, the net cost of premiums for providing post-retirement benefits was \$79,680.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE J - OTHER POST-EMPLOYMENT BENEFITS-CONTINUED

1. Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the OPEB Plan as of January 1, 2013.

Active members	162
Retired members	<u>19</u>
Total membership	<u>181</u>

2. Contributions

The annual required contribution amount is determined using actuarial methods and assumptions approved by the City Council. The City Council established and may amend the funding policy for the OPEB Plan.

Schedule of Employer Cost and Contributions:

Annual required contribution	\$ 847,911
Interest on Net OPEB obligation	132,836
Adjustment to ARC	<u>(227,609)</u>
Annual OPEB cost	753,138
Actual contributions	79,680
Net OPEB liability, beginning of year	\$ 3,320,895
Net OPEB liability, end of year	\$ 3,994,353

**City of Conyers, Georgia**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2013**

**NOTE J - OTHER POST-EMPLOYMENT BENEFITS-CONTINUED**

The City's annual OPEB cost, OPEB contribution, percentage of annual OPEB contributed, and net OPEB for the current year and each of the two preceding years were as follows:

<u>Year ended</u>	<u>Annual OPEB Cost</u>	<u>Actual OPEB Contribution</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2013	\$ 753,138	\$ 79,680	10.58%	\$ 3,994,353
June 30, 2012	829,503	85,833	10.35%	3,320,895
June 30, 2011	829,503	89,376	10.77%	2,577,225

**3. OPEB Plan**

As of the most recent valuation date, January 1, 2013, the funded status of the OPEB Plan was as follows:

Actuarial Value of Asset	\$ -
Actuarial Accrued Liability (AAL)	5,900,573
Unfunded Actuarial Accrued Liability (UAAL)	5,900,573
Funded Ratio	0.00%
Covered Payroll	6,648,553
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	88.75%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continued revision as are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. The required schedule of funding progress immediately following notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability. Actuarial calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

**NOTE J - OTHER POST-EMPLOYMENT BENEFITS-CONTINUED**

Calculations are based on the plan in effect at July 1, 2012. The assumptions used in the January 1, 2013 actuarial valuation is as follows:

Cost method	Projected Unit Credit
Actuarial asset valuation method	Market Value of Assets
Assumed rate of return on investments	4.0%
Medical cost trend rate	9.0%
Ultimate medical cost trend rate	5.0%
Year of ultimate trend rate	2018
Amortization method	Level dollar, closed
Remaining amortization period	21 years
Payroll inflation rate	3.5%

**NOTE K – FUND EQUITY/DEFICIT**

**1. Fund Balances**

Nonspendable- The following fund balance is nonspendable because it is allocated to:

***General Fund:***

Prepaid items	80,564
Assets held for resale	628,557
Advance to other funds	<u>1,384,438</u>
Total	<u><u>\$ 2,093,559</u></u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE K – FUND EQUITY/DEFICIT-CONTINUED

***Emergency Telephone:***

Prepaid items	<u>\$ 36,679</u>
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Restricted- The following fund balances are restricted for:

Restricted

***General Fund:***

Capital equipment purchases	<u>\$ 2,331,074</u>
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**Special Revenue Fund:**

***Forfeited Assets***- used to account for funds received from the enforcement of drug laws.

	<u>\$ 102,285</u>
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***Hotel/Motel Fund***- used to account for occupancy tax collected by area hotels and motels.

	<u>\$ 207,473</u>
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**Capital Projects Fund:**

***SPLOST***- used to account for capital projects financed with SPLOST.

	<u>\$ 4,307,741</u>
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City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE K – FUND EQUITY/DEFICIT-CONTINUED

Assigned- The following fund balance is assigned to:

***General Fund:***

Encumbered commitment	<u>\$ 44,318</u>
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Unassigned- The City's policy is to maintain an adequate General Fund unassigned fund balance to provide liquidity in the event of an economic downturn or natural disaster.

**2. Fund Deficit**

At June 30, 2013, the Sanitation and Landfill funds reflected deficit balances of \$475,477 and \$235,094, respectively, in the total net position. Management of the City expects to eliminate the deficit of the Sanitation Fund with the sale of waste management services and equipment to Pratt Industries (see subsequent event Note S). The deficit of the Landfill Fund will be reduced by operating transfers from the General Fund and possible future reduction of postclosure care cost.

NOTE L - CONTINGENCIES

**1. Litigation**

The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions arising in the course of City operations. In the opinion of City management, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

**2. Risk Management**

The City is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disaster for which the City carries commercial insurance in amounts deemed prudent by City management. There was no significant reduction in insurance coverage during the year. The City has also joined together with other municipalities in the state as part of the

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE L – CONTINGENCIES-CONTINUED

2. Risk Management-continued

Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of this risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund and to report as promptly as possible and in accordance with any coverage descriptions issued, all incidents which could result in the fund being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the fund.

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The fund is to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment and all expenses incurred for investigation, negotiation or defense.

Settlements did not exceed insurance coverage for the past three fiscal years.

NOTE M - JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the Metropolitan Atlanta Georgia area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues, if assessed. Membership in ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of ARC. ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of ARC. Separate financial statements may be obtained from ARC, 200 North Creek, Suite 300, 3715 Northside Parkway, Atlanta, Georgia 30327.

NOTE N - RELATED ORGANIZATION

The City's Mayor is responsible for appointing all board members of the Conyers Housing Authority (the "Authority"). However, the City has no further accountability for the Authority.

**City of Conyers, Georgia**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2013**

**NOTE O – HOTEL/MOTEL TAX**

The City of Conyers imposes a 8% hotel/motel tax for the purpose of promoting tourism. Expenditures paid with this hotel/motel tax were used to promote tourism as required by O.C.G.A. 48-13-51. A summary of transactions for the fiscal year ended June 30, 2013 is as follows:

2013 tax receipts	\$ 766,031
2013 expenditures	
City of Conyers Tourism and Public Affairs	(656,063)
Current year receipts in excess of expenditures	<u>\$ 109,968</u>
Expenditures as a percentage of tax receipts	<u>85.6%</u>

**NOTE P – SHORT-TERM DEBT**

On May 8, 2013, the City received a \$2 million short-term loan from United Community Bank. The City entered into this primary loan for the purpose of paying its current expenses. The loan has a maturity date of December 31, 2013 and an interest rate of 3.25%.

Balance				Balance
<u>June 30, 2012</u>	<u>Additions</u>	<u>Reductions</u>		<u>June 30, 2013</u>
\$ 1,500,000	\$ 2,000,000	\$ (1,500,000)		\$ 2,000,000



City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE Q – BUDGET AND COMPLIANCE INFORMATION

1. General

Annual appropriated budgets are adopted for all funds at the department level. The SPLOST capital projects fund is adopted on the project length basis. Budgets for the enterprise funds are for management control purposes and are not required to be reported. Budgets are adopted on a non-GAAP basis. All unencumbered appropriations lapse at fiscal year end. Expenditures may not legally exceed budgeted appropriations at the department level.

Encumbrances represent commitments related to unfulfilled contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balance and are carried forward to the forthcoming year. They do not constitute expenditures or liabilities until the related goods or services are received during the subsequent year. The following process is used by the City in establishing the budgetary data reflected in the financial statements.

Each year, by January 15th for capital budgets and March 15th for operating budgets, all departments of the City submit requests for appropriations to the Chief Financial Officer so that a budget may be prepared. The budget is prepared by department for each fund, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Before May 25th, the proposed budget is presented to the City Council for review. The City Council holds public hearings and may add to, subtract from or change appropriations. The budget is then approved by an affirmative vote of a majority of the City Council at the first regular meeting following the public hearing, and by June 25th of each year. As expenditures may not legally exceed budgeted appropriations at the department total level, the Chief Financial Officer is authorized to revise appropriations within each department, but may not change total appropriations for a department.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE Q – BUDGET AND COMPLIANCE INFORMATION-CONTINUED

2. Excess of Expenditures Over Appropriations

For the year ended June 30, 2013, expenditures exceeded appropriations as follows:

<u>Fund or Department</u>	<u>Excess</u>
Emergency Telephone	\$ 1,498
Forfeited Assets	42,344
Hotel/Motel	43,555
General Fund	
City Manager's Office	\$ 22,900
Administration	99,737
Technology	108,024
Building Maintenance	31,911
Conyers Security Alert	21,322
Vehicle Maintenance	266,075
Police	101,218
Court Services	511
Planning & City Services	58,493
Planning & Inspections	70,071
Infrastructure Services	18,403
GIHP Administration	88,871
Debt Service	249,614

These over expenditures were funded by available fund balance. The City will continue to monitor budget versus actual expenditures monthly. When proposed expenditures appear that they will exceed the budget, the City will obtain approval from the City Council for those expenditures.

NOTE R – SUBSEQUENT EVENT

On September 3, 2013, Pratt Industries assumed the City's waste management services and Sanitation Fund employees. This was the result of a contract agreement that was signed on June 1, 2012.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**City of Conyers, Georgia**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**

**GENERAL FUND**

	For the year ended June 30, 2013			
	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
<b>Revenues</b>				
Taxes	\$ 9,216,059	\$ 8,856,559	\$ 8,817,431	\$ (39,128)
Licenses, permits and fees	162,500	164,500	169,120	4,620
Fines and forfeitures	1,140,000	1,065,000	1,135,669	70,669
Charges for services	600,000	625,000	702,943	77,943
Other revenues	1,195,170	1,272,370	1,444,442	172,072
Intergovernmental	92,000	179,000	184,487	5,487
Total revenues	12,405,729	12,162,429	12,454,092	291,663
<b>Expenditures</b>				
General government				
Mayor and Council	246,178	221,178	186,819	34,359
City Manager's Office	429,984	436,984	459,884	(22,900)
Administration	701,149	731,149	830,886	(99,737)
Technology	972,906	987,906	1,095,930	(108,024)
Building maintenance	301,000	302,577	334,488	(31,911)
Conyers Security Alert	185,654	205,654	226,976	(21,322)
Vehicle maintenance	357,164	357,164	623,239	(266,075)
Public safety				
Police	4,343,595	4,420,064	4,521,282	(101,218)
Court services	534,534	526,133	526,644	(511)
Communications	-	179,539	163,475	16,064
Public works				
Planning & City Services	337,935	308,935	367,428	(58,493)
Planning & Inspections	205,560	204,060	274,131	(70,071)
Landscape services	203,724	217,367	214,889	2,478
Infrastructure services	547,318	589,647	608,050	(18,403)

Continued

## City of Conyers, Georgia

## REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

## GENERAL FUND – CONTINUED

For the year ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Cultural/Recreation				
GIHP Administration	439,153	446,153	535,024	(88,871)
GIHP Maintenance	1,047,631	970,450	921,380	49,070
GIHP Events	166,000	191,992	159,228	32,764
Nondepartmental	575,000	590,000	-	590,000
Debt service	529,304	529,304	778,918	(249,614)
Total expenditures	12,123,789	12,416,256	12,828,671	(412,415)
Excess (deficiency) of revenues over expenditures	281,940	(253,827)	(374,579)	(120,752)
<b>Other financing sources (uses)</b>				
Sale of capital assets	475,000	-	16,312	16,312
Transfers in	-	-	32,423	32,423
Transfers out	(656,940)	(341,940)	(1,256,519)	(914,579)
Total other financing sources (uses)	(181,940)	(341,940)	(1,207,784)	865,844
Net change in fund balance	100,000	(595,767)	(1,582,363)	(986,596)
<b>Fund balance, beginning of year</b>	3,393,583	3,393,583	3,393,583	-
<b>Fund balance, end of year</b>	<u>\$ 3,493,583</u>	<u>\$ 2,797,816</u>	<u>\$ 1,811,220</u>	<u>\$ (986,596)</u>

**City of Conyers, Georgia**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**June 30, 2013**

**Note A- Reconciliation of GAAP Basis and Budget Basis Amounts**

The major difference between the budget basis used by the City and GAAP is that encumbrances are recognized as expenditures (budget) as opposed to reservations of fund balance (GAAP). A reconciliation of net change in fund balance as reported on a budgetary basis to those as reported in accordance with generally accepted accounting principles for the General Fund for the year ended June 30, 2013, is as follows:

	<u><b>General Fund</b></u>
Net change in fund balance	\$ (1,582,363)
Increase in encumbrances	<u>4,467</u>
Net change in fund balance - GAAP basis	<u><u>\$ (1,577,896)</u></u>

## City of Conyers, Georgia

### REQUIRED SUPPLEMENTARY INFORMATION

#### INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

As allowed by GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments, the City has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the City expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include 144 lane miles of roads that the City is responsible for maintaining.

In order to utilize the modified approach, the City is required to:

- Maintain an asset management system that includes an up-to date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the City.
- Document that the assets are being preserved approximately at, or above, the established condition level.

#### Measurement Scale of Roads

The City uses the Georgia Department of Transportation Resurfacing Needs Rating Scale to determine the condition of roadway pavements. The scale is used to formally measure and monitor pavement conditions. The rating is determined through visual analysis conducted by experienced crews, as follows:

TYPE OF DISTRESS	PAVEMENT CONDITION (CIRCLE APPROPRIATE SCORE FOR EACH CONDITION)				
	Very Good	Good	Fair	Poor	Very Poor
Transverse Cracking	0	2	4	6	8
Longitudinal Cracking	0	2	4	6	8
Alligator Cracking	0	3	6	9	12
Patching or Potholes	0	2	4	6	8
Rutting	0	1	2	3	4
Edge Raveling	0	1	2	3	4
Roughness	0	1	2	3	4
Oxidation	0	1	2	3	4
Bleeding	0	1	2	3	4
Missing Stone	0	1	2	3	4
<b>TOTAL SCORE PAVEMENT CONDITIONS -</b>					

Overall Rating: 0 - Very Good; 15 - Good; 30 - Fair; 45 - Poor; 60 - Very Poor

**City of Conyers, Georgia**

**REQUIRED SUPPLEMENTARY INFORMATION**

**INFORMATION ABOUT INFRASTRUCTURE ASSETS  
REPORTED USING THE MODIFIED APPROACH - CONTINUED**

**Established Condition Level**

The City's standard is to achieve and maintain at least a fair rating on City roads. No more than 15% of the roads should be rated poor or very poor.

**Condition Rating**

The City will assess conditions each year. The conditions for the last three assessments:

<b>Assessed Date</b>	<b>Standard Rating</b>	<b>Poor Rating</b>
February 2013	99.43%	.57%
March 2012	99.58%	.42%
May 2011	99.4%	.60%

**Budgeted and Estimated Costs to Maintain**

The following table presents the City's estimate of spending necessary to preserve and maintain the roads at, or above, the "Established Condition Levels" cited above, and the actual amounts spent during the past five fiscal years:

<b>FISCAL YEAR</b>	<b>ESTIMATED SPENDING</b>	<b>ACTUAL SPENDING</b>
2013	\$400,000	\$109,241
2012	\$600,000	\$83,175
2011	\$1,800,000	\$1,068,718
2010	\$1,000,000	\$1,158,607
2009	\$741,701	\$198,757

The City determines its program needs annually. The estimated spending provided above are for estimated expenses and commitments relating to appropriate projects at the time of the budget request. Projects may be added, deleted, adjusted, or postponed during the year. The difference between the estimated and actual spending amounts above reflects these changes.



City of Conyers, Georgia

OTHER REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF FUNDING PROGRESS

**GMEBS Plan**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded (Surplus) AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
January 1, 2013	\$ 8,902,991	\$ 11,444,234	\$ (2,541,243)	77.8%	\$ 7,101,455	-35.8%
January 1, 2012	8,110,409	10,940,288	(2,829,879)	74.1%	6,652,744	-42.5%
January 1, 2011	7,531,148	10,120,860	(2,589,712)	74.4%	6,512,000	-39.8%
January 1, 2010	6,914,425	9,625,154	(2,710,729)	71.8%	6,184,000	-43.8%

**OPEB Health Care Plan**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded (Surplus) AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
January 1, 2013	\$ -	\$ 5,900,573	\$ (5,900,573)	0.0%	\$ 6,648,553	-88.7%
January 1, 2011	-	6,071,205	(6,071,205)	0.0%	6,398,040	-94.9%
May 1, 2008	-	7,675,208	(7,675,208)	0.0%	6,423,670	-119.5%

**SUPPLEMENTARY INFORMATION**

**COMBINING STATEMENTS AND**

**INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

**City of Conyers, Georgia**  
**Nonmajor Governmental Funds**

**COMBINING BALANCE SHEET**  
**June 30, 2013**

	<u>Special Revenue</u>			<b>Total</b>
	<b>Emergency Telephone</b>	<b>Forfeited Assets</b>	<b>Hotel/ Motel</b>	<b>Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,118	\$ 107,447	\$ 97,392	\$ 206,957
Receivables - net of allowances for uncollectible accounts				
Accounts	38,795	-	112,915	151,710
Due from other funds	-	-	79,761	79,761
Prepaid items	36,679	-	-	36,679
Total assets	<u>\$ 77,592</u>	<u>\$ 107,447</u>	<u>\$ 290,068</u>	<u>\$ 475,107</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 678	\$ 3,605	\$ 37,320	\$ 41,603
Accrued salaries	17,688	-	11,701	29,389
Unearned revenue	-	-	33,574	33,574
Due to other funds	50,479	1,557	-	52,036
Total liabilities	68,845	5,162	82,595	156,602
Fund balances:				
Reserved for:				
Nonspendable	36,679	-	-	36,679
Restricted	-	102,285	207,473	309,758
Unassigned	(27,932)	-	-	(27,932)
Total fund balances	8,747	102,285	207,473	318,505
Total liabilities and fund balances	<u>\$ 77,592</u>	<u>\$ 107,447</u>	<u>\$ 290,068</u>	<u>\$ 475,107</u>

**City of Conyers, Georgia**  
**Nonmajor Governmental Funds**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

For the year ended June 30, 2013

	Special Revenue			Total Nonmajor Governmental Funds
	Emergency Telephone	Forfeited Assets	Hotel/ Motel	
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ 766,031	\$ 766,031
Fines and forfeitures	-	177,052	-	177,052
Charges for services	338,366	-	-	338,366
Total revenues	338,366	177,052	766,031	1,281,449
<b>Expenditures</b>				
Current				
Public safety	628,356	42,344	-	670,700
Cultural/Recreation	-	-	656,063	656,063
Total expenditures	628,356	42,344	656,063	1,326,763
Excess (deficiency) of expenditures over (under) revenues	(289,990)	134,708	109,968	(45,314)
<b>Other financing sources (uses)</b>				
Transfers in: General Fund	365,228	-	-	365,228
Transfers out: General Fund	-	(32,423)	-	(32,423)
Total other financing sources (uses)	365,228	(32,423)	-	332,805
Net change in fund balances	75,238	102,285	109,968	287,491
<b>Fund balance (deficit), beginning of year</b>	(66,491)	-	97,505	31,014
<b>Fund balance, end of year</b>	<u>\$ 8,747</u>	<u>\$ 102,285</u>	<u>\$ 207,473</u>	<u>\$ 318,505</u>

**City of Conyers, Georgia  
Emergency Telephone Fund**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL**

**For the year ended June 30, 2013**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Charges for services:				
Emergency 911 charges	\$ 360,000	\$ 360,000	\$ 338,366	\$ (21,634)
Total revenues	360,000	360,000	338,366	(21,634)
<b>Expenditures</b>				
Public safety				
Communications administration	854,827	626,858	628,356	(1,498)
Total expenditures	854,827	626,858	628,356	(1,498)
Deficiency of revenues under expenditures	(494,827)	(266,858)	(289,990)	(23,132)
<b>Other financing sources</b>				
Transfers in	496,397	267,858	365,228	97,370
Total other financing sources	496,397	267,858	365,228	97,370
Net change in fund balance	1,570	1,000	75,238	74,238
<b>Fund balance (deficit), beginning of year</b>	(66,491)	(66,491)	(66,491)	-
<b>Fund balance, end of year</b>	<u>\$ (64,921)</u>	<u>\$ (65,491)</u>	<u>\$ 8,747</u>	<u>\$ 74,238</u>

**City of Conyers, Georgia  
Forfeited Assets Fund**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL**

**For the year ended June 30, 2013**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Fines and forfeitures	\$ 120,000	\$ -	\$ 177,052	\$ 177,052
Total revenues	120,000	-	177,052	177,052
<b>Expenditures</b>				
Public safety	125,000	-	42,344	(42,344)
Total expenditures	125,000	-	42,344	(42,344)
Net change in fund balance	(5,000)	-	134,708	134,708
<b>Other financing sources</b>				
Operating transfers out	-	-	(32,423)	(32,423)
Total other financing uses	-	-	(32,423)	(32,423)
Excess of revenues and expenditures and other uses	(5,000)	-	102,285	102,285
<b>Fund balance, beginning of year</b>	-	-	-	-
<b>Fund balance, end of year</b>	<u>\$ (5,000)</u>	<u>\$ -</u>	<u>\$ 102,285</u>	<u>\$ 102,285</u>

**City of Conyers, Georgia  
Hotel/Motel Fund**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL**

**For the year ended June 30, 2013**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual Amounts</u></b>	
<b>Revenues</b>				
Taxes	\$ 600,000	\$ 600,000	\$ 766,031	\$ 166,031
Total revenues	600,000	600,000	766,031	166,031
<b>Expenditures</b>				
Cultural/Recreation	600,000	612,508	656,063	(43,555)
Total expenditures	600,000	612,508	656,063	(43,555)
Excess (deficiency) of revenues over (under) expenditures	-	(12,508)	109,968	122,476
<b>Fund balance, beginning of year</b>	97,505	97,505	97,505	-
<b>Fund balance, end of year</b>	<u>\$ 97,505</u>	<u>\$ 97,505</u>	<u>\$ 97,505</u>	<u>\$ -</u>

**City of Conyers, Georgia**

**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS –  
2004 ISSUE**

**For the year ended June 30, 2013**

<b>Project</b>	<b>Original Estimated Cost</b>	<b>Current Estimated Cost</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total</b>
Maintenance Building	\$ 700,000	\$ 790,455	\$ 782,127	\$ -	\$ 782,127
Veal Street Community Center	120,000	177,000	150,729	-	150,729
Bald Rock Church	325,000	23,230	26,870	-	26,870
Green Space Purchase	500,000	500,000	1,095,140	-	1,095,140
Capital Debt	1,500,000	1,500,000	1,946,150	-	1,946,150
Sigman Road @ East View Road	665,000	665,000	753,260	-	753,260
Parking Improvements (old town)	600,000	600,000	105,437	-	105,437
Green Street @ Scott Street	590,000	731,600	14,190	2,427	16,617
West Avenue Street Scape	825,000	1,800,000	1,173,793	-	1,173,793
SR 138 @ East View Parkway	230,000	230,000	1,737	-	1,737
Resurfacing	1,007,000	1,007,000	2,221,782	-	2,221,782
Main Street (Pine Log Road to Rockbridge)	2,305,000	2,305,000	6,168	-	6,168
Bank Street (Main Street to Pine Street)	255,000	255,000	123,500	-	123,500
Striping	50,000	50,000	218,765	300	219,065
Rockbridge Rd (Main Street to Sigman)	1,040,000	1,040,000	130,406	-	130,406
Old Covington Road @ Gees Mill Road	740,000	1,396,000	120,401	75	120,476
Sigman Road @ East Park Drive	540,000	840,000	133,240	82,727	215,967
Railroad Street (Center St. to West Ave)	805,000	998,200	177,473	20,857	198,330
College Ave. (Main Street to Milstead Ave)	740,000	740,000	506,763	-	506,763
West Avenue @ Green Street	590,000	785,000	1,237	-	1,237
Northside Dr. @ Milstead Ave	-	850,500	945,813	-	945,813
State Route 20 @ Millers Chapel Road	-	96,544	96,544	-	96,544
Eastview Sidewalks and Resurfacing	-	850,000	67,453	-	67,453
GIHP Building	-	301,770	505,284	-	505,284
Debt Service	-	-	4,997,286	-	4,997,286
Other Consulting Fees	-	-	37,489	-	37,489
<b>Total</b>	<b>\$ 14,127,000</b>	<b>\$ 18,532,299</b>	<b>\$ 16,339,037</b>	<b>\$ 106,386</b>	<b>\$ 16,445,423</b>

\* The original budget column has been amended from the 2005 report to include the complete and final original budget for the City's SPLOST projects.



City of Conyers, Georgia

**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS –  
2011 ISSUE**

For the year ended June 30, 2013

<b>Project</b>	<b>Original Estimated Cost</b>	<b>Current Estimated Cost</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total</b>
Hardin/O'Kelley Complete Street	\$ 902,000	\$ 902,000	\$ 22,898	\$ 16,454	\$ 39,352
Green/Open Space	1,500,000	1,500,000	-	50,000	50,000
North Street/Barton/Railroad	585,000	585,000	525	675	1,200
Irwin Bridge	600,000	600,000	-	8,175	8,175
Pine Log Road	216,000	216,000	-	262	262
Bryant Street	521,000	521,000	-	750	750
Centennial Parkway	400,000	400,000	-	337	337
Scott/Green/Main/Pinehog	600,000	600,000	-	375	375
Sigman @ East Park/Sarasota	540,000	540,000	-	41,329	41,329
Eastview Road	850,000	850,000	-	-	-
South Main Street	-	-	-	-	-
Striping	35,000	35,000	600	54,797	55,397
Resurfacing	2,000,000	2,000,000	18,235	103,058	121,293
Capital Outlay	1,500,000	1,500,000	-	573,357	573,357
<b>Total</b>	<b>\$ 10,249,000</b>	<b>\$ 10,249,000</b>	<b>\$ 42,258</b>	<b>\$ 849,569</b>	<b>\$ 891,827</b>

**City of Conyers, Georgia**

**BALANCE SHEET  
COMPONENT UNITS**

**June 30, 2013**

	<b>The Conyers Downtown Development Authority</b>	<b>Main Street Foundation</b>
	<u>Authority</u>	<u>Foundation</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 22,206	\$ 13,225
Note receivable	4,490	-
Prepaid items	345	-
Assets held for resale	<u>220,747</u>	<u>-</u>
Total assets	<u><u>247,788</u></u>	<u><u>13,225</u></u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable and accrued liabilities	209	-
Loans payable	<u>288,691</u>	<u>-</u>
Total liabilities	288,900	-
Fund balances (deficit):		
Nonspendable	345	-
Unassigned	<u>(41,457)</u>	<u>13,225</u>
Total fund balances (deficit)	<u>(41,112)</u>	<u>13,225</u>
Total liabilities and fund balances	<u><u>247,788</u></u>	<u><u>13,225</u></u>

**City of Conyers, Georgia**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
COMPONENT UNITS**

**For the year ended June 30, 2013**

	<b>The Conyers Downtown Development Authority</b>	<b>Main Street Foundation</b>
<b>Revenues</b>		
Contributions and donations	\$ 575	\$ 12,940
Rental income	16,451	-
Special events	-	13,981
Interest income	98	-
Total revenues	<u>17,124</u>	<u>26,921</u>
<b>Expenditures</b>		
Current		
Development	<u>16,247</u>	<u>15,661</u>
Debt service		
Interest	<u>11,384</u>	<u>55</u>
Total expenditures	<u>27,631</u>	<u>15,716</u>
Net change in fund balances	(10,507)	11,205
<b>Fund balance (deficit), beginning of year</b>	<u>(30,605)</u>	<u>2,020</u>
<b>Fund balance (deficit), end of year</b>	<u><u>\$ (41,112)</u></u>	<u><u>\$ 13,225</u></u>

**CAPITAL ASSETS**  
**USED IN THE OPERATION**  
**OF GOVERNMENTAL FUNDS**

**City of Conyers, Georgia**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**

**COMPARATIVE SCHEDULES BY SOURCE**

**June 30,**

	<u>2013</u>	<u>2012</u>
<b>Governmental funds capital assets:</b>		
Land	\$ 11,579,612	\$ 11,580,198
Building	8,760,963	8,760,963
Improvements	26,238,647	26,238,647
Infrastructure	250,000	250,000
Construction in Progress	566,696	342,253
Equipment	<u>10,322,078</u>	<u>9,939,588</u>
Total governmental funds capital assets	<u>\$ 57,717,996</u>	<u>\$ 57,111,649</u>
<b>Investments in governmental funds capital assets by source:</b>		
Acquired prior to 1993	\$ 4,231,237	\$ 4,231,237
General fund	21,184,592	20,802,688
Special revenues funds	759,213	759,213
Capital projects fund	3,274,336	3,049,893
Enterprise fund	28,018,618	28,018,618
Donations	<u>250,000</u>	<u>250,000</u>
Total governmental funds capital assets	<u>\$ 57,717,996</u>	<u>\$ 57,111,649</u>

City of Conyers, Georgia

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION AND ACTIVITY

June 30, 2013

Function and Activity	Land	Buildings	Improvements	Infrastructure	Equipment	Construction in Progress	Total
General government:							
Administrative	\$ 2,439,622	\$ 354,499	\$ 379,518	\$ -	\$ 426,359	\$ -	\$ 3,599,998
Technology	-	-	-	-	1,277,096	-	1,277,096
Conyers' Commerce Center	100,000	-	-	-	-	-	100,000
Security alert	-	-	-	-	134,193	-	134,193
Total general government	2,539,622	354,499	379,518	-	1,837,648	-	5,111,287
Public safety:							
Police department	-	622,635	1,350	-	5,228,481	-	5,852,466
Fire	-	141,126	-	-	-	-	141,126
Total public safety	-	763,761	1,350	-	5,228,481	-	5,993,592
Public works	2,131,040	2,276,045	3,324,981	250,000	1,777,540	302,960	10,062,566
Total public works	2,131,040	2,276,045	3,324,981	250,000	1,777,540	302,960	10,062,566
Cultural/Recreation:							
Horse Park	6,651,950	4,374,051	22,532,798	-	786,628	76,631	34,422,058
Tourism	257,000	992,607	-	-	691,781	187,105	2,128,493
Total cultural/recreation	6,908,950	5,366,658	22,532,798	-	1,478,409	263,736	36,550,551
Total	\$ 11,579,612	\$ 8,760,963	\$ 26,238,647	\$ 250,000	\$ 10,322,078	\$ 566,696	\$ 57,717,996

**City of Conyers, Georgia**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**

**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**

**For the fiscal year ended June 30, 2013**

<u>Function and Activity</u>	<u>June 30, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2013</u>
General government:				
Administrative	\$ 3,539,577	\$ 60,421	\$ -	\$ 3,599,998
Technology	1,277,096	-	-	1,277,096
Conyers' Commerce Center	100,000	-	-	100,000
Security alert	134,193	-	-	134,193
Total general government	<u>5,050,866</u>	<u>60,421</u>	<u>-</u>	<u>5,111,287</u>
Public safety:				
Police department	5,530,397	445,652	(123,583)	5,852,466
Fire	<u>141,126</u>	<u>-</u>	<u>-</u>	<u>141,126</u>
Total public safety	5,671,523	445,652	(123,583)	5,993,592
Public works	<u>9,838,709</u>	<u>224,443</u>	<u>(586)</u>	<u>10,062,566</u>
Total public works	9,838,709	224,443	(586)	10,062,566
Cultural/Recreation:				
Horse Park	34,422,058	-	-	34,422,058
Tourism	<u>2,128,493</u>	<u>-</u>	<u>-</u>	<u>2,128,493</u>
Total cultural/recreation	<u>36,550,551</u>	<u>-</u>	<u>-</u>	<u>36,550,551</u>
Total	<u>\$ 57,111,649</u>	<u>\$ 730,516</u>	<u>\$ (124,169)</u>	<u>\$ 57,717,996</u>

## STATISTICAL SECTION

This part of the City's comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being has changed over time.</i>	<b>88-95</b>
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	<b>96-102</b>
<b>Debt Capacity</b> <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	<b>103-105</b>
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	<b>106-108</b>
<b>Operating Information</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	<b>109-111</b>

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year. The City implemented GASB Statement 34 for the year ended June 30, 2004; schedules presenting government-wide information include information beginning in that year.



**City of Conyers, Georgia**

**Net Position by Component  
Last Ten Fiscal Years**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental Activities</b>										
Net Investment in capital assets	\$ 25,209,871	\$ 24,072,565	\$ 23,372,964	\$ 24,314,961 (1)	\$ 24,601,917	\$ 24,676,592	\$ 25,270,255	\$ 24,700,491	\$ 23,519,921	\$ 22,455,361
Restricted	441,595	2,641,994	3,097,716	3,430,288	3,304,303	2,830,625	329,878 (7)	1,567,846	3,246,289 (12)	4,617,499 (13)
Unrestricted	(1,034,132)	(1,247,831)	1,699,508	1,473,530	2,657,240 (6)	3,079,994	3,234,527	(1,559,516) (9)	(2,785,802)	(4,867,885) (14)
<b>Subtotal Governmental Activities Net Position</b>	<u>\$ 24,617,334</u>	<u>\$ 25,466,728</u>	<u>\$ 28,170,188</u>	<u>\$ 29,218,779</u>	<u>\$ 30,563,460</u>	<u>\$ 30,587,211</u>	<u>\$ 28,834,660</u>	<u>\$ 24,708,821</u>	<u>\$ 23,980,408</u>	<u>\$ 22,204,975</u>
<b>Business-type Activities</b>										
Net Investment in capital assets	\$ 255,966	\$ 753,321	\$ 700,755	\$ 1,787,556 (2)	\$ 1,724,454	\$ 1,048,511	\$ 1,035,720	\$ 4,941,417 (10)	\$ 5,223,699	\$ 5,013,768
Restricted	-	1,750,000	1,740,995	766,383 (3)	712,805	-	-	-	-	-
Unrestricted	(648,047)	(2,643,438)	(2,392,081)	(2,210,434)	(1,883,514)	(421,912)	(330,652)	(1,842,613)	(2,635,311)	(1,962,899)
<b>Subtotal Business-type Activities Net Position</b>	<u>\$ (392,081)</u>	<u>\$ (140,117)</u>	<u>\$ 49,669</u>	<u>\$ 343,505</u>	<u>\$ 553,745</u>	<u>\$ 626,599</u>	<u>\$ 705,068</u>	<u>\$ 3,098,804</u>	<u>\$ 2,588,388</u>	<u>\$ 3,050,869</u>
<b>Primary Government</b>										
Net Investment in capital assets	\$ 25,465,837	\$ 24,825,886	\$ 24,073,719	\$ 26,102,517 (4)	\$ 26,326,371	\$ 25,725,103	\$ 26,305,975	\$ 29,641,908 (11)	\$ 28,743,620	\$ 27,469,129
Restricted	441,595	4,391,994	4,838,711	4,196,671 (5)	4,017,108	2,830,625	329,878 (8)	1,567,846	3,246,289	4,617,499
Unrestricted	(1,682,179)	(3,891,269)	(692,573)	(736,904)	773,726	2,658,082	2,903,875	(3,402,129)	(5,421,113)	(6,830,784)
<b>Total Primary Government Net Position</b>	<u>\$ 24,225,253</u>	<u>\$ 25,326,611</u>	<u>\$ 28,219,857</u>	<u>\$ 29,562,284</u>	<u>\$ 31,117,205</u>	<u>\$ 31,213,810</u>	<u>\$ 29,539,728</u>	<u>\$ 27,807,625</u>	<u>\$ 26,568,796</u>	<u>\$ 25,255,844</u>

(1) The increase from prior period is mainly due to construction of barns at the GIHP.

(2) The increase from prior period is mainly due to the completion of a \$1 million stormwater project on College Avenue.

(3) The decrease from prior period is due to the City using the restricted cash funds on the stormwater projects (see (2) above).

(4) See explanations at (1) and (2).

(5) See explanation at (3).

(6) The increase from prior period is mainly due to an increase in property taxes, occupational taxes, and SPLOST.

(7) The decrease from prior year is mainly due to reclassing \$2.5 million restricted for capital equipment purchases to invested in capital assets net of related debt.

(8) See explanation at (7).

(9) The decrease is due to the City implementing GASB 54 in fiscal year 2011.

(10) The increase is due to the City taking over Cherokee Run Golf Course, which had \$4.2 million of capital assets.

(11) See explanation at (10).

(12) The increase is due to the City receiving 2011 Splost funds in fiscal year 2012.

(13) The increase is due to the City receiving 2011 Splost funds for twelve months in fiscal year 2013.

(14) The increase is due to transfer from General Fund to other funds.

City of Conyers, Georgia

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities:										
General government	\$ 2,673,017	\$ 2,405,705	\$ 3,011,942	\$ 4,958,543 <sup>(1)</sup>	\$ 3,541,577 <sup>(5)</sup>	\$ 3,487,979	\$ 4,124,636 <sup>(11)</sup>	\$ 3,984,947	\$ 4,221,525	\$ 3,924,921
Public safety and communications	4,046,066	4,195,801	4,205,292	4,115,435	4,431,729	5,548,570 <sup>(9)</sup>	5,960,899	6,079,027	6,345,778	6,118,795
Public works	1,482,622	1,379,613	1,517,136	542,304 <sup>(2)</sup>	3,558,120 <sup>(6)</sup>	2,905,316 <sup>(10)</sup>	4,027,715 <sup>(12)</sup>	3,229,666	2,596,497	2,796,180
Culture and recreation	3,066,638	3,019,046	3,204,920	4,889,715 <sup>(3)</sup>	3,751,736 <sup>(7)</sup>	4,103,848	3,837,541	3,728,216	3,714,132	3,629,157
Interest on long-term debt	385,169	710,420	650,977	527,848	685,179	537,622	476,008	403,522	336,987	255,641
Total governmental activities expenses	11,653,512	11,710,585	12,590,267	15,033,845	15,968,341	16,583,335	18,426,799	17,425,378	17,214,919	16,724,694
Business-type activities:										
Sanitation	1,346,465	849,582	989,532	1,066,845	1,139,270	1,247,683	1,334,470	1,331,313	1,409,559	1,307,687
Landfill	7,963	139,736	20,780	147,238	56,117	56,596	78,520	47,982	39,569	50,858
Stormwater	264,613	135,802	352,909	314,796	514,395	339,260	370,870	395,936	392,300	471,356
Golf	-	-	-	-	-	-	-	1,534,772 <sup>(15)</sup>	1,433,827	1,585,896
Total business-type activities expenses	1,619,041	1,125,120	1,363,221	1,528,879	1,709,782	1,643,539	1,783,860	3,310,003	3,275,255	3,415,797
Total primary government expenses	\$ 13,272,553	\$ 12,835,705	\$ 13,953,488	\$ 16,562,724	\$ 17,678,123	\$ 18,226,874	\$ 20,210,659	\$ 20,735,381	\$ 20,490,174	\$ 20,140,491
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 379,291	\$ 472,218	\$ 465,068	\$ 515,613	\$ 517,796	\$ 468,001	\$ 469,365	\$ 503,895	\$ 501,379	\$ 560,139
Public safety and communications	1,560,600	1,237,555	1,589,643	1,895,094	1,902,106	1,648,268	1,844,407	1,521,489	1,626,044	1,713,771
Public works	220,084	339,504	464,207	588,068	306,414	129,086	112,606	81,934	100,690	140,466
Cultural/recreation	1,054,339	1,244,006	1,126,181	1,099,480	1,281,316	1,227,102	1,202,155	1,195,825	1,184,757	1,018,126
Operating grants and contributions	287,983	101,774	88,875	199,822	214,125	306,664	700,305	489,458	407,654	198,835
Capital grants and contributions	318,702	72,722	-	-	-	-	2,014,842 <sup>(13)</sup>	1,192,848 <sup>(16)</sup>	2,231,838	2,114,912
Total governmental activities program revenues	3,820,999	3,467,779	3,733,974	4,298,077	4,221,757	3,779,121	6,343,680	4,985,449	6,052,362	5,746,249
Business-type activities:										
Charges for services:										
Sanitation	718,751	898,651	988,547	1,051,199	1,195,655	1,195,998	1,204,127	1,217,169	1,223,559	1,235,550
Stormwater	385,737	389,519	399,048	414,318	424,537	446,141	454,959	483,964	473,346	481,885
Golf	-	-	-	-	-	-	-	475,905 <sup>(17)</sup>	1,048,641	1,032,531
Operating grants and contributions	(152,133)	-	-	-	136,296	-	25,000	1,628,536	-	-
Total business-type activities program revenues	952,355	1,288,170	1,387,595	1,465,517	1,756,488	1,642,139	1,684,086	3,805,574	2,745,546	2,749,966
Total primary government program revenues	\$ 4,773,354	\$ 4,755,949	\$ 5,121,569	\$ 5,763,594	\$ 5,978,245	\$ 5,421,260	\$ 8,027,766	\$ 8,791,023	\$ 8,797,908	\$ 8,496,215

(Continued)

**City of Conyers, Georgia**

**Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	<b>Fiscal Year</b>									
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (7,832,513)	\$ (8,242,806)	\$ (8,856,293)	\$ (10,735,768)	\$ (11,746,584)	\$ (12,804,214)	\$ (12,083,119)	\$ (12,439,929)	\$ (11,162,557)	\$ (10,978,445)
Business-type activities	(666,686)	163,050	24,374	(63,362)	46,706	(1,400)	(99,774)	495,571	(529,709)	(665,831)
Total primary government net expenses	\$ (8,499,199)	\$ (8,079,756)	\$ (8,831,919)	\$ (10,799,130)	\$ (11,699,878)	\$ (12,805,614)	\$ (12,182,893)	\$ (11,944,358)	\$ (11,692,266)	\$ (11,644,276)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 3,232,572	\$ 4,460,921	\$ 4,789,305	\$ 5,096,930	\$ 5,572,416	\$ 5,775,513	\$ 5,606,548	\$ 5,538,373	\$ 5,362,510	\$ 5,202,127
Other taxes	3,637,269	3,886,726	5,280,203 (4)	5,799,634	6,505,320 (8)	6,168,140	4,166,029 (14)	4,252,994	4,438,287	4,480,208
Interest and investment earnings	5,378	258,842	466,243	581,095	655,450	585,475	250,620	211,654	204,755	208,806
Gain on sale of capital assets	-	79,372	943,709	-	-	-	-	-	-	-
Miscellaneous	33,262	132,879	110,519	418,167	414,771	332,970	398,052	173,989	418,689	203,162
Transfers	(660,323)	(81,451)	(30,226)	(142,288)	(56,692)	(34,133)	(90,681)	(1,862,920) (18)	9,903 (20)	(891,291) (22)
Total governmental activities	<u>6,248,158</u>	<u>8,737,289</u>	<u>11,559,753</u>	<u>11,753,538</u>	<u>13,091,265</u>	<u>12,827,965</u>	<u>10,330,568</u>	<u>8,314,090</u>	<u>10,434,144</u>	<u>9,203,012</u>
Business-type activities:										
Interest and investment earnings	84	7,463	86,382	111,844	67,560	18,666	14,210	1,833	1,498	-
Gain on sale of capital assets	-	-	3,857	-	-	-	-	-	-	-
Miscellaneous	1,244	-	44,947	103,066	39,282	21,455	73,352	33,412	27,698	237,021 (23)
Transfers	660,323	81,451	30,226	142,288	56,692	34,133	90,681	1,862,920 (19)	(9,903) (21)	891,291 (24)
Total business-type activities	<u>661,651</u>	<u>88,914</u>	<u>165,412</u>	<u>357,198</u>	<u>163,534</u>	<u>74,254</u>	<u>178,243</u>	<u>1,898,165</u>	<u>19,293</u>	<u>1,128,312</u>
Total primary government	<u>\$ 6,909,809</u>	<u>\$ 8,826,203</u>	<u>\$ 11,725,165</u>	<u>\$ 12,110,736</u>	<u>\$ 13,254,799</u>	<u>\$ 12,902,219</u>	<u>\$ 10,508,811</u>	<u>\$ 10,212,255</u>	<u>\$ 10,453,437</u>	<u>\$ 10,331,324</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (1,584,355)	\$ 494,483	\$ 2,703,460	\$ 1,017,770	\$ 1,344,681	\$ 23,751	\$ (1,752,551)	\$ (4,125,839)	\$ (728,413)	\$ (1,775,433)
Business-type activities	(5,035)	251,964	189,786	293,836	210,240	72,854	78,469	2,393,736	(510,416)	462,481
Total primary government	<u>\$ (1,589,390)</u>	<u>\$ 746,447</u>	<u>\$ 2,893,246</u>	<u>\$ 1,311,606</u>	<u>\$ 1,554,921</u>	<u>\$ 96,605</u>	<u>\$ (1,674,082)</u>	<u>\$ (1,732,103)</u>	<u>\$ (1,238,829)</u>	<u>\$ (1,312,952)</u>

(1) The increase from prior period is mainly due to a \$1.7 million loss on the sale of land.

(2) The decrease from prior period is mainly due to reclassing the public works building to capital assets.

(3) The increase from prior period is mainly due to the construction of barns at the GHPP costing approximately \$2.4 million.

(4) The increase from prior period is due to the City receiving SPLOST proceeds for the entire fiscal year versus three months in the prior year.

(5) The decrease from prior period is mainly due to a \$1.7 million loss on the sale of land.

(6) The increase from prior period to mainly due to several new road resurfacing projects.

(7) The decrease from prior period is mainly due to the construction of barns at the GHPP in FY 2007 costing approximately \$2.4 million.

(8) The increase from prior period is mainly due to the increase in SPLOST proceeds.

(9) The increase from prior period is mainly due to the increase in salaries, retiree payouts, the renovation of the court services building, and the purchase of furniture for communications from grant funds.

(10) The decrease from prior year is due to fewer road projects in the current year.

(11) The increase from prior year is mainly due to a \$241,000 contribution to DDA and purchases of technology equipment upgrades totaling approximately \$200,000.

(12) The increase from prior year is mainly due to the increased road resurfacing projects totaling approximately \$724,000.

(13) The increase from prior year is due to reclassing sales tax proceeds from other taxes to capital grants and contributions.

(14) See explanation at (13).

(15) The increase is due to the City taking over Cherokee Run Golf Course in fiscal year 2011.

(16) The decrease is mainly due to the City not receiving as many federal grants for the police department.

(17) The increase is due to the City taking over Cherokee Run Golf Course in fiscal year 2011.

(18) The general government transferred \$1.9 million of land to the Golf Course.

(19) The City took over Cherokee Run Golf Course and received \$3.5 million in contributed capital.

(20) The increase is due to the City transferring \$1.9 million to Golf Fund in fiscal year 2011.

(21) See explanation at (20).

(22) The increase is due to General Fund transfers to Sanitation and Golf Funds.

(23) The increase is mainly due to sale of timber in Golf Fund and intergovernmental revenue of \$121,737 in Stormwater Fund.

(24) See explanation at (22).

**City of Conyers, Georgia**

**Governmental Activities Tax Revenues by Source  
Last Ten Fiscal Years  
(accrual basis of accounting)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Franchise Tax</b>	<b>Hotel-Motel Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>Insurance Premium Tax</b>	<b>Occupational Tax</b>	<b>Sales Tax</b>	<b>Other Taxes</b>	<b>Total</b>
2004	\$ 3,232,572	\$ 1,146,944	\$ 680,375	\$ 515,200	\$ 459,147	\$ 456,837	\$ -	\$ 378,766	\$6,869,841
2005	4,460,921	1,039,959	620,177	489,806	497,591	455,969	477,525 (1)	305,699	8,347,647
2006	4,789,305	1,161,643	672,655	533,780	535,342	467,564	1,470,140	439,079	10,069,508
2007	5,096,930	1,271,367	644,839	576,860	560,102	503,049	1,758,726	484,691	10,896,564
2008	5,572,416	1,469,528	580,227	588,944	584,249	491,660	2,285,451	505,261	12,077,736
2009	5,775,513	1,435,988	695,348	542,949	598,244	467,372	2,005,115	423,124	11,943,653
2010	5,606,548	1,383,598	652,881	572,443	592,632	490,303	- (2)	474,172	9,772,575
2011	5,538,373	1,426,488	720,180	593,498	575,408	475,937	-	461,483	9,791,367
2012	5,362,510	1,477,040	710,976	603,568	712,709	483,379	-	450,615	9,800,797
2013	5,202,127	1,372,350	766,031	565,363	757,016	453,832	-	565,616	9,682,335

(1) First year of tax

(2) Reclassed sales taxes to capital grants and contributions.

**City of Conyers, Georgia**

**Fund Balances, Governmental Funds  
Fiscal Years 2004-2010  
(modified accrual basis of accounting)**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Fund</b>							
Reserved	\$ 348,686	\$ 2,298,092	\$ 3,107,618	\$3,477,445	\$3,250,577	\$3,214,320	\$3,313,153
Unreserved	(1,099,092)	550,426	2,209,656	1,318,745	2,452,673	2,222,064	1,659,386
Total general fund	<u>\$ (750,406)</u>	<u>\$ 2,848,518</u> (1)	<u>\$ 5,317,274</u> (3)	<u>\$4,796,190</u>	<u>\$5,703,250</u> (5)	<u>\$5,436,384</u>	<u>\$4,972,539</u> (6)
<b>All Other Governmental Funds</b>							
Reserved	\$ 102,211	\$ 356,729	\$ 355,276	\$348,641	\$268,105	\$288,764	\$298,861
Unreserved, reported in:							
Special revenue funds	(191,193)	(108,017)	-	-	-	-	-
Capital projects funds	-	4,723,394 (2)	5,689,003 (4)	5,963,937	5,908,955	5,640,503	4,318,591
Total all other governmental funds	<u>\$ (88,982)</u>	<u>\$ 4,972,106</u>	<u>\$ 6,044,279</u>	<u>\$6,312,578</u>	<u>\$6,177,060</u>	<u>\$5,929,267</u>	<u>\$4,617,452</u> (7)

(1) The increase from the prior period is mainly attributable to an increase in property taxes, which generated an additional \$1.3 million in general fund revenues

(2) The increase from the prior period is due to the Capital projects fund being established in 2004. The City received a \$4.2 million advance from Rockdale County for bond proceeds from the 2004 SPLOST general obligation bonds.

(3) The increase from prior period is due to a property tax revenue increase of \$682,623 and \$1.06 million sale of capital assets.

(4) The increase from prior period is due to the City receiving SPLOST proceeds for the entire fiscal year versus three months in the prior year.

(5) The increase from prior period is mainly due to an increase in property taxes

(6) The decrease from prior period is mainly due to overall increase in expenditures with revenues remaining constant

(7) The decrease from prior period is mainly due to increased road resurfacing projects.

**City of Conyers, Georgia**

**Fund Balances, Governmental Funds  
Last Three Fiscal Years  
(modified accrual basis of accounting)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General Fund</b>			
Nonspendable	\$ 1,634,996	\$ 1,791,096	\$ 2,093,559
Restricted	2,178,122	2,445,528	2,331,074
Assigned	46,927	39,852	44,318
Unassigned	159,994	(882,893)	(2,653,264)
Total General fund	<u>\$ 4,020,039</u>	<u>\$ 3,393,583</u>	<u>\$ 1,815,687</u>
 All Other Governmental Funds			
Nonspendable	\$ -	\$ -	\$ 36,679
Restricted, reported in:			
Special revenue funds	97,556	97,505	309,758
Capital projects fund	1,377,476	3,148,784	4,307,741
Unassigned, reported in:			
Special revenue funds	(61,469)	(66,491)	(27,932)
Total all other governmental funds	<u>\$ 1,413,563</u>	<u>\$ 3,179,798</u>	<u>\$ 4,626,246</u>
 Total all governmental funds	<u>\$ 5,433,602</u>	<u>\$ 6,573,381</u>	<u>\$ 6,441,933</u>

Note: GASB 54 was implemented during fiscal year 2011.

City of Conyers, Georgia

Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Taxes	\$ 6,841,476	\$ 8,358,499	\$ 10,086,215	\$ 10,936,275	\$ 11,998,621 (6)	\$ 11,875,594	\$ 9,681,700 (8)	\$ 9,881,737	\$ 9,835,558	\$ 9,583,462
Licenses, permits and fees	215,019	345,141	480,235	593,775	332,966	146,295	123,741	100,896	112,756	169,120
Fines and forfeitures	1,023,287	970,764	1,156,497	1,452,457	1,338,972	1,149,604	1,336,108	1,102,267	1,249,661	1,312,721
Charges for services	403,458	809,140	838,927	923,280	1,045,544	976,835	926,960	952,807	933,455	1,041,309
GIHP Revenue	-	-	1,126,181 (2)	1,099,480	1,281,316	1,227,102	1,124,435	1,155,305	1,184,757	1,018,126
Other revenue	1,146,516	1,722,948	584,437	1,006,283 (3)	1,084,218	934,721	971,717	432,515	533,367	426,316
Contributions and donations	-	-	-	1,035	-	-	-	-	-	-
Intergovernmental	337,143	4,367,960 (1)	81,199	191,764	200,128	290,389	2,469,822 (9)	1,665,259 (12)	2,454,278	2,299,399
Emergency 911 charges	329,308	-	-	-	-	-	-	-	-	-
Total revenues	<u>\$ 10,296,207</u>	<u>\$ 16,574,452</u>	<u>\$ 14,353,691</u>	<u>\$ 16,204,349</u>	<u>\$ 17,281,765</u>	<u>\$ 16,600,540</u>	<u>\$ 16,634,483</u>	<u>\$ 15,290,786</u>	<u>\$ 16,303,832</u>	<u>\$ 15,850,453</u>
<b>Expenditures</b>										
General government	\$ 2,446,512	\$ 2,123,847	\$ 2,890,020	\$ 3,312,032	\$ 3,702,488	\$ 3,698,449	\$ 4,061,255	\$ 3,996,680	\$ 4,118,863	\$ 3,734,950
Public safety	2,941,877	3,757,969	3,962,911	4,158,576	4,671,451	5,155,913	5,808,121 (10)	5,722,335	5,887,296	5,899,125
Public works	1,264,313	1,206,272	1,262,055	1,486,666	1,816,615	2,009,961	1,885,396	1,903,295	1,700,729	1,465,243
Cultural/Recreation	1,704,705	1,658,365	2,063,071	4,749,929 (4)	2,731,965 (7)	2,873,212	2,584,946	2,640,609	2,400,442	2,272,731
Communications administration	673,093	-	-	-	-	-	-	-	-	-
Nondepartmental	442,816	590,345	-	-	-	-	-	-	-	-
Georgia International Horse Park										
Capital outlay	768,669	-	563,919	1,471,152 (5)	1,718,215	1,487,267	2,294,433 (11)	3,264,664 (13)	546,870 (14)	955,955 (15)
Debt service:										
Principal	1,093,684	472,377	481,677	734,647	1,303,758	1,390,548	1,521,936	1,647,244	571,629	503,144
Interest	385,169	471,311	624,272	512,306	528,227	478,716	419,144	348,700	294,189	275,774
Total expenditures	<u>\$ 11,720,838</u>	<u>\$ 10,280,486</u>	<u>\$ 11,847,925</u>	<u>\$ 16,425,308</u>	<u>\$ 16,472,719</u>	<u>\$ 17,094,066</u>	<u>\$ 18,575,231</u>	<u>\$ 19,523,527</u>	<u>\$ 15,520,018</u>	<u>\$ 15,106,922</u>
Excess of revenues over expenditures	\$ (1,424,631)	\$ 6,293,966	\$ 2,505,766	\$ (220,959)	\$ 809,046	\$ (493,526)	\$ (1,940,748)	\$ (4,232,741)	\$ 783,814	\$ 743,531
(Continued)										

**City of Conyers, Georgia**

**Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Other Financing Sources (uses)</b>										
Proceeds from capital leases	\$ 656,743	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 236,365	\$ -	\$ -	\$ -
Proceeds from bond refunding	4,345,000	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	(4,338,050)	-	-	-	-	-	-	-	-	-
Sale of capital assets	122,037	393,446	1,065,389	110,462	19,188	13,000	19,404	23,695	346,062	16,312 (16)
Transfers in	278,240	570,690	422,986	462,217	432,883	393,921	447,107	672,028	360,784	397,651
Transfers out	(301,693)	(570,690)	(453,212)	(604,505)	(489,575)	(428,054)	(537,788)	(619,371)	(350,881)	(1,288,942) (17)
Total other financing sources (uses)	<u>\$ 762,277</u>	<u>\$ 393,446</u>	<u>\$ 1,035,163</u>	<u>\$ (31,826)</u>	<u>\$ (37,504)</u>	<u>\$ (21,133)</u>	<u>\$ 165,088</u>	<u>\$ 76,352</u>	<u>\$ 355,965</u>	<u>\$ (874,979)</u>
Net change in fund balances	\$ (662,354)	\$ 6,687,412	\$ 3,540,929	\$ (252,785)	\$ 771,542	\$ (514,659)	\$ (1,775,660)	\$ (4,156,389)	\$ 1,139,779	\$ (131,448)
Debt service as a percentage of noncapital expenditures	13.50%	9.18%	9.80%	10.21%	12.21%	12.36%	11.37%	12.26%	5.85%	5.42%

(1) Amount included \$4.2 million advance from Rockdale County.

(2) GIHP revenue was included in other revenue in prior years.

(3) The increase from period is mainly due to increased interest income, nearly \$150,000 from treebank proceeds, and \$100,000 from the Cherokee Run agreement.

(4) The increase from period is mainly due to the construction of barns costing \$2.4 million at GIHP.

(5) The increase from prior period is mainly due to the completion of the Vehicle Maintenance building (approximately \$439,000); Veal Street Center (approximately \$150,000) and the purchase of several police cars (approximately \$274,000).

(6) The increase from prior period is mainly due to a \$600K increase in property taxes due to new residents in the City and an approximately \$527K increase in SPLOST revenue.

(7) The decrease from prior period is mainly due to the construction of GIHP barns costing approximately \$2.4 million.

(8) The decrease from prior period is due to reclassing sales tax revenues to intergovernmental.

(9) See explanation at (8).

(10) The increase from prior period is mainly due to receipt of federal grants for the police department.

(11) The increase from prior period is mainly due to increased road resurfacing projects.

(12) The decrease from prior period is mainly due to decreased federal grants for the police department.

(13) The increase from prior period is mainly due to construction of new GIHP building.

(14) The decrease from prior period is due to less construction in current fiscal year.

(15) The increase from prior period is mainly due to purchase of police vehicles that cost approximately \$432K.

(16) The decrease from prior period is due to the sell of land for \$300K in FY2012.

(17) The increase from prior period is due to transfers out from General Fund to other funds to help reduce deficits.



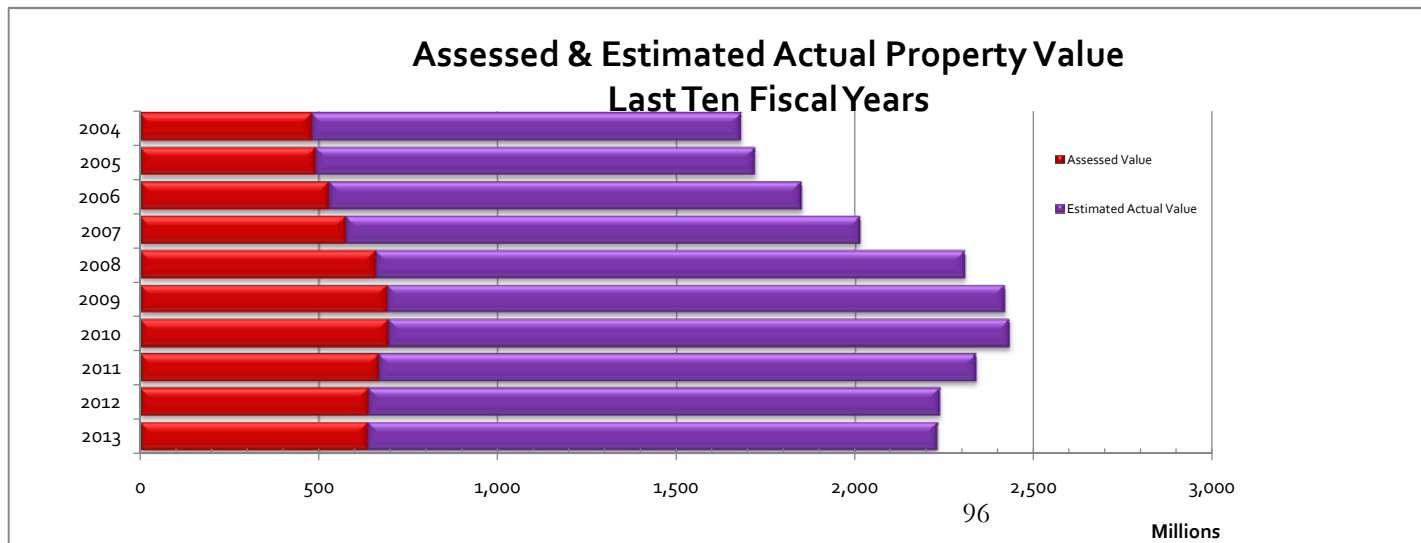
City of Conyers, Georgia

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
Last Ten Fiscal Years

<u>Year (1)</u>	<u>Real and Personal Property</u>		<u>Motor Vehicle &amp; Mobile Home</u>		<u>Total Direct Tax Rate</u>	<u>Total</u>		<u>Ratio of Assessed Value to Total</u>
	<u>Assessed Value</u>	<u>Value</u>	<u>Assessed Value</u>	<u>Value</u>		<u>Assessed Value</u>	<u>Value</u>	<u>Value</u>
2004	\$461,702,398	\$1,154,255,995	\$19,005,720	\$47,514,300	7.4	\$480,708,118	\$1,201,770,295	40%
2005	\$472,458,454	\$1,181,146,135	\$19,578,412	\$48,946,030	9.9	\$492,036,866	\$1,230,092,165	40%
2006	\$510,854,058	\$1,277,135,145	\$17,958,125	\$44,895,313	9.9	\$528,812,183	\$1,322,030,458	40%
2007	\$558,678,879	\$1,396,697,198	\$17,000,718	\$42,501,795	9.9	\$575,679,597	\$1,439,198,993	40%
2008	\$639,591,885	\$1,598,979,713	\$19,931,608	\$49,829,020	9.5	\$659,523,493	\$1,648,808,733	40%
2009	\$665,258,978	\$1,663,147,445	\$25,967,508	\$64,918,770	9.4	\$691,226,486	\$1,728,066,215	40%
2010	\$668,590,984	\$1,671,477,460	\$26,481,278	\$66,203,195	9.4	\$695,072,262	\$1,737,680,655	40%
2011	\$645,223,736	\$1,613,059,340	\$23,161,578	\$57,903,945	9.4	\$668,385,314	\$1,670,963,285	40%
2012	\$617,100,007	\$1,542,750,018	\$22,651,936	\$56,629,840	9.9	\$639,751,943	\$1,599,379,858	40%
2013	\$614,673,492	\$1,536,683,730	\$23,054,436	\$57,636,090	9.9	\$637,727,928	\$1,594,319,820	40%

Source: Rockdale County Tax Commissioner

(1) Fiscal Year Ended June 30th



**City of Conyers, Georgia**

**General Governmental Expenditures by Function (1)  
Last Ten Fiscal Years**

<b>Fiscal Year (2)</b>	<b>General Government</b>	<b>Public Safety (3)</b>	<b>Planning &amp; City Services (4)</b>	<b>Non- Departmental</b>	<b>Capital Outlay (5)</b>	<b>Debt Service</b>	<b>Total</b>
2004	\$2,446,512	\$3,614,970	\$2,969,018	\$442,816	\$768,669	\$1,572,456	\$11,814,441
2005	\$2,123,847	\$3,757,969	\$2,864,637	\$590,345	-	\$943,688	\$10,280,486
2006	\$2,890,020	\$3,962,911	\$3,325,126	-	\$563,919	\$1,105,949	\$11,847,925
2007	\$3,312,032	\$4,158,576	\$6,236,595	-	\$1,471,152	\$1,246,953	\$16,425,308
2008	\$3,702,488	\$4,671,451	\$4,548,580	-	\$1,718,215	\$1,831,985	\$16,472,719
2009	\$3,698,449	\$5,155,913	\$4,883,173	-	\$1,487,267	\$1,869,264	\$17,094,066
2010	\$4,061,255	\$5,808,121	\$4,470,342	-	\$2,294,433	\$1,941,080	\$18,575,231
2011	\$3,996,680	\$5,722,335	\$4,543,904	-	\$3,264,664	\$1,995,944	\$19,523,527
2012	\$4,118,863	\$5,887,296	\$4,101,171	-	\$546,870	\$865,818	\$15,520,018
2013	\$3,734,950	\$5,899,125	\$3,737,974	-	\$955,955	\$778,918	\$15,106,922

Source: Audited Financial Statements

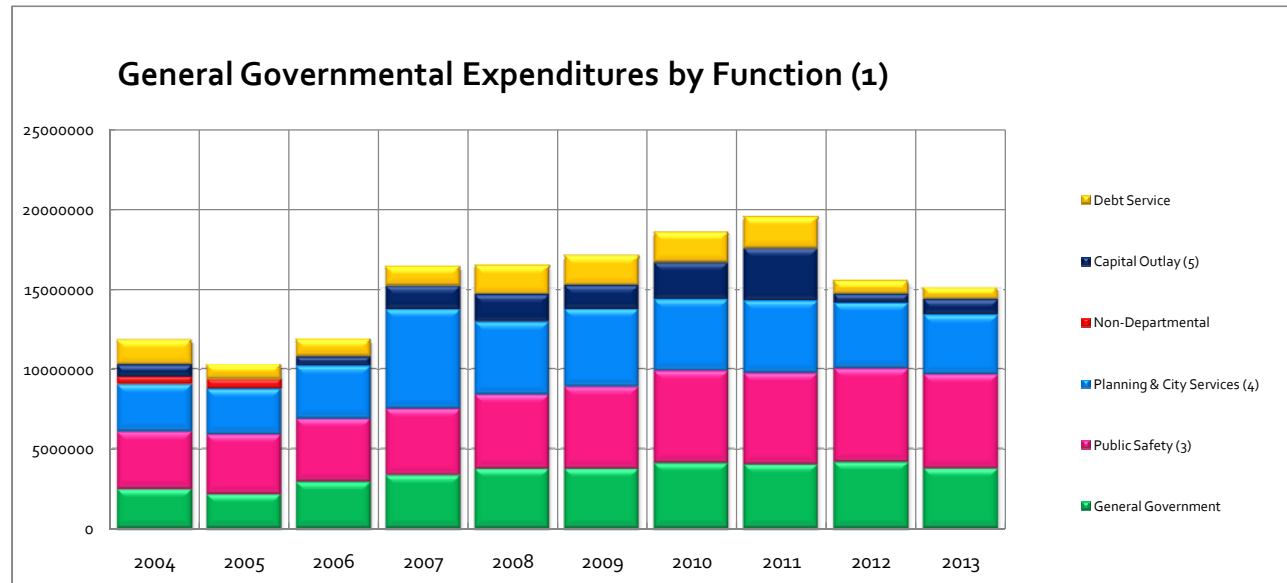
(1)Includes General Fund, Special Revenue Funds, and Capital Projects Fund

(2) Fiscal Year Ended June 30th

(3) Public Safety Includes Communications

(4)Planning & City Services includes Public Works and Cultural/Recreation

(5) Capital outlay is included in the functional department in 2005



## City of Conyers, Georgia

### General Governmental Revenues by Source (1) Last Ten Fiscal Years

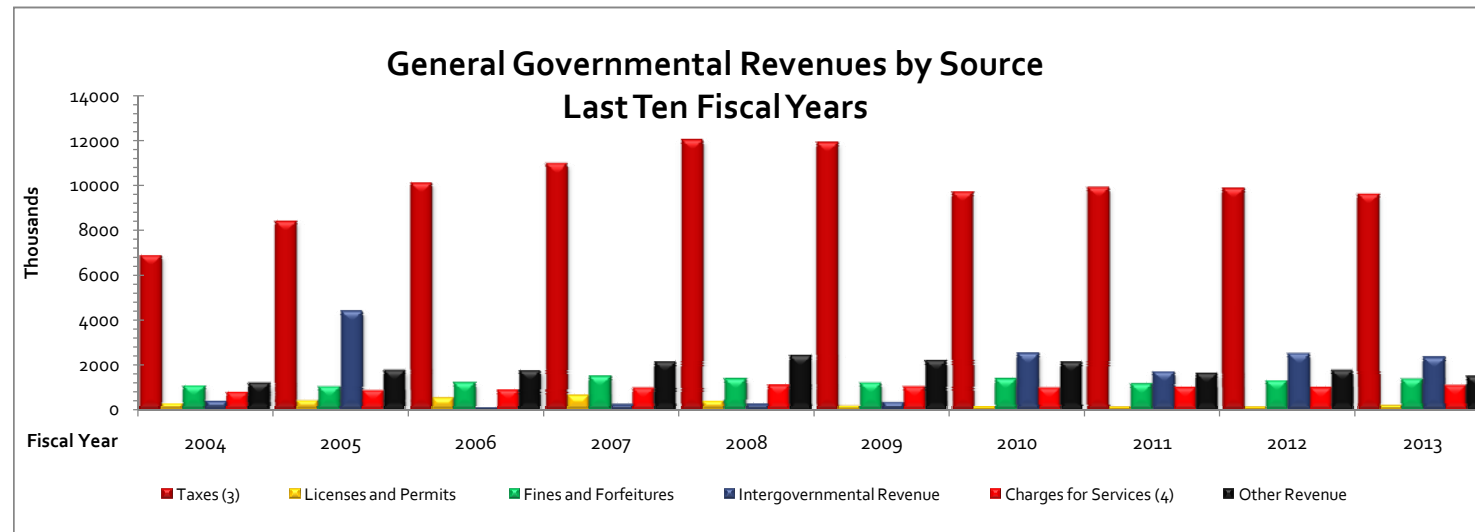
<b>Fiscal Year (2)</b>	<b>Taxes (3)</b>	<b>Licenses and Permits</b>	<b>Fines and Forfeitures</b>	<b>Intergovernmental Revenue</b>	<b>Charges for Services (4)</b>	<b>Other Revenue</b>	<b>Total</b>
2004	\$6,841,476	\$215,019	\$1,023,287	\$337,143	\$732,766	\$1,146,516	\$10,296,207
2005	\$8,358,499	\$345,141	\$970,764	\$4,367,960	\$809,140	\$1,722,948	\$16,574,452
2006	\$10,086,215	\$480,235	\$1,156,497	\$81,199	\$838,927	\$1,710,618	\$14,353,691
2007	\$10,936,275	\$593,775	\$1,452,457	\$191,764	\$923,280	\$2,106,798	\$16,204,349
2008	\$11,998,621	\$332,966	\$1,338,972	\$200,128	\$1,045,544	\$2,365,534	\$17,281,765
2009	\$11,875,594	\$146,295	\$1,149,604	\$290,389	\$976,835	\$2,161,823	\$16,600,540
2010	\$9,681,700	\$123,741	\$1,336,108	\$2,469,822	\$926,960	\$2,096,152	\$16,634,483
2011	\$9,881,737	\$100,896	\$1,102,267	\$1,665,259	\$952,807	\$1,587,820	\$15,290,786
2012	\$9,835,558	\$112,756	\$1,249,661	\$2,454,278	\$933,455	\$1,718,124	\$16,303,832
2013	\$9,583,462	\$169,120	\$1,312,721	\$2,299,399	\$1,041,309	\$1,444,442	\$15,850,453

(1) Includes General Fund, Special Revenue Funds, and Capital Projects Fund

(2) Fiscal Year Ended June 30th

(3) Occupational taxes are included in taxes as regulated by the new GA Uniform Chart of Accts.

(4) Prior to 2004, charges for services included sanitation fees.

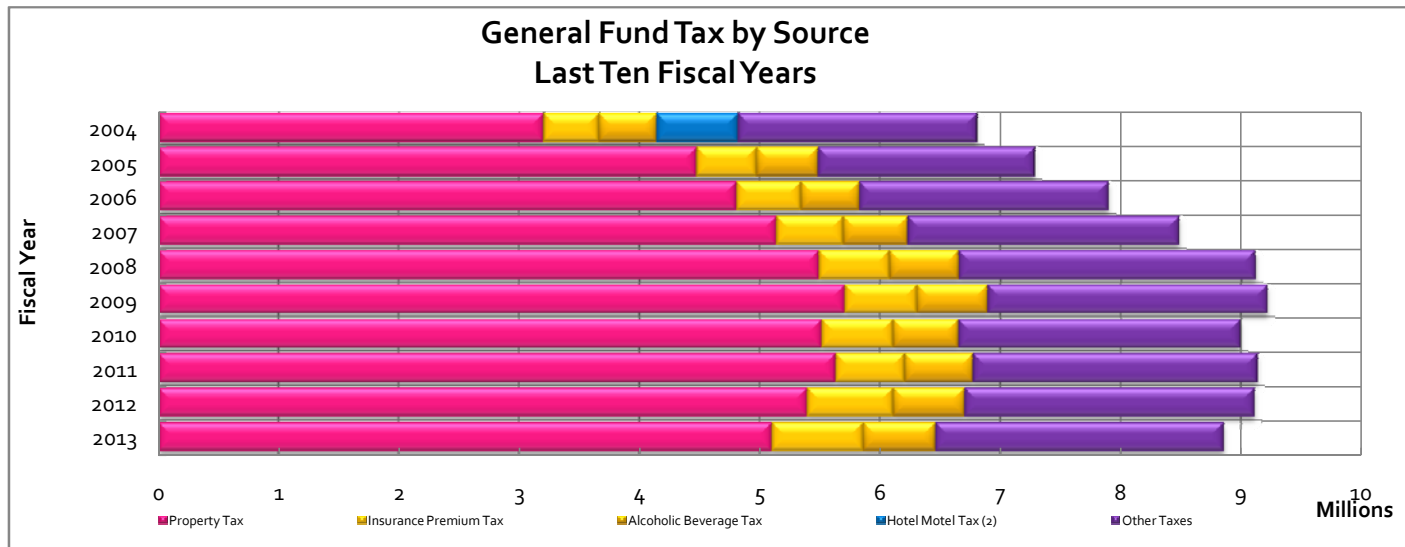


# City of Conyers, Georgia

## General Fund Tax Revenue by Source

### Last Ten Fiscal Years

Fiscal Year (1)	Property Tax	Insurance Premium Tax	Alcoholic Beverage Tax	Hotel Motel Tax (2)	Other Taxes	Total
2004	\$3,204,207	\$459,147	\$515,200	\$680,375	\$1,982,547	\$6,841,476
2005	\$4,474,045	\$497,591	\$489,806	-	\$1,799,355	\$7,260,797
2006	\$4,806,012	\$535,342	\$533,780	-	\$2,068,286	\$7,943,420
2007	\$5,136,641	\$560,102	\$576,860	-	\$2,259,107	\$8,532,710
2008	\$5,493,300	\$584,249	\$588,944	-	\$2,466,450	\$9,132,943
2009	\$5,707,454	\$598,244	\$542,949	-	\$2,326,484	\$9,175,131
2010	\$5,515,670	\$592,632	\$572,443	-	\$2,348,074	\$9,028,819
2011	\$5,628,743	\$575,408	\$593,498	-	\$2,363,908	\$9,161,557
2012	\$5,397,271	\$712,709	\$603,568	-	\$2,411,034	\$9,124,582
2013	\$5,103,254	\$757,016	\$565,363	-	\$2,391,798	\$8,817,431



**City of Conyers, Georgia**

**PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$1000 OF ASSESSED VALUE)  
Last Ten Fiscal Years**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
City of Conyers										
Maintenance and operations (1)	<u>7.40</u>	<u>9.90</u>	<u>9.90</u>	<u>9.90</u>	<u>9.52</u>	<u>9.41</u>	<u>9.41</u>	<u>9.41</u>	<u>9.90</u>	<u>9.90</u>
Rockdale County:										
Maintenance and Operations	<u>14.40</u>	<u>14.61</u>	<u>14.61</u>	<u>14.61</u>	<u>14.53</u>	<u>14.53</u>	<u>15.53</u>	<u>16.91</u>	<u>16.91</u>	<u>20.70</u>
Debt service	<u>0.29</u>	<u>0.25</u>	<u>0.22</u>	<u>0.22</u>	<u>0.20</u>	<u>0.20</u>	<u>0.22</u>	<u>0.24</u>	<u>0.24</u>	<u>0.31</u>
Total Rockdale County (2)	<u>14.69</u>	<u>14.86</u>	<u>14.83</u>	<u>14.83</u>	<u>14.73</u>	<u>14.73</u>	<u>15.75</u>	<u>17.15</u>	<u>17.15</u>	<u>21.01</u>
Rockdale County Board of Education										
Maintenance and operations	<u>21.48</u>	<u>21.44</u>	<u>21.00</u>	<u>21.00</u>	<u>21.00</u>	<u>21.00</u>	<u>22.99</u>	<u>24.50</u>	<u>24.50</u>	<u>26.00</u>
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Rockdale County Board of Education (2)	<u>21.48</u>	<u>21.44</u>	<u>21.00</u>	<u>21.00</u>	<u>21.00</u>	<u>21.00</u>	<u>22.99</u>	<u>24.50</u>	<u>24.50</u>	<u>26.00</u>
State of Georgia (2)	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.20</u>
Total	<u><u>43.82</u></u>	<u><u>46.45</u></u>	<u><u>45.98</u></u>	<u><u>45.98</u></u>	<u><u>45.50</u></u>	<u><u>45.39</u></u>	<u><u>48.40</u></u>	<u><u>51.31</u></u>	<u><u>51.80</u></u>	<u><u>57.11</u></u>

(1) Fiscal Year Ended June 30th

(2) Source: Rockdale County Tax Commissioner

**City of Conyers, Georgia**

**PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO**

2013				2004			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
Visy Paper Inc	\$ 22,124,362	1	4.06%	Visy Paper	\$ 18,537,162	1	4.23%
Rockdale Hospital LLC	\$ 17,986,028	2	3.30%	Conyers Crossroads LLC	\$ 10,208,243	2	2.33%
NP/I&G Conyers Crossroads LLC	\$ 11,316,800	3	2.08%	Wal-Mart	\$ 9,843,108	3	2.24%
Liochem Incorporated	\$ 8,030,834	4	1.47%	Jet Corr Millugator	\$ 8,545,270	4	1.95%
Bostik Inc	\$ 7,955,628	5	1.46%	Keswick Village LP	\$ 8,290,270	5	1.89%
Jet Corr Millugator	\$ 7,891,521	6	1.45%	Bellsouth Telecommunications	\$ 8,011,216	6	1.83%
AT&T Communications	\$ 7,163,929	7	1.31%	RHA/Affordable Housing	\$ 7,127,972	7	1.62%
El-Ad Keswick Village LLC	\$ 7,115,720	8	1.31%	Almand Creek LLC	\$ 5,812,297	8	1.33%
Almand Creek LLC	\$ 6,543,764	9	1.20%	Home Depot (HD Developmer	\$ 5,626,891	9	1.28%
Evangelical Christian Credit Union	\$ 5,858,960	10	1.07%	First Industrial	\$ 5,251,216	10	1.20%
	<u>\$101,987,546</u>		<u>18.71%</u>		<u>\$ 87,253,645</u>		<u>19.89%</u>

**Source: 2012 Tax Digest and 2003 Tax Digest**

**City of Conyers, Georgia**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percent of Levy</b>
2004	3,245,983	3,204,207	98.7%	22,475	3,226,682	99.4%
2005	4,313,294	4,310,941	99.9%	15,955	4,326,896	100.3%
2006	4,829,443	4,806,011	99.5%	19,122	4,825,133	99.9%
2007	5,092,946	5,061,641	99.4%	49,802	5,111,443	100.4%
2008	5,613,997	5,493,300	97.9%	-	5,493,300	97.9%
2009	5,771,982	5,707,455	98.9%	56,979	5,764,434	99.9%
2010	5,849,692	5,515,671	94.3%	37,408	5,553,079	94.9%
2011	5,703,661	5,628,743	98.7%	29,059	5,657,802	99.2%
2012	5,508,713	5,397,272	98.0%	29,099	5,426,371	98.5%
2013	5,397,323	5,103,254	94.6%	56,673	5,159,927	95.6%

**City of Conyers, Georgia**

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal years**

Governmental Activities							Business Type Activities				
Fiscal Year	Tax Anticipation Note	Due to Rockdale County	Commerce Center Revenue Refunding Bonds-2004	Certificates of Participation 1991 Series	Capital Leases	GMA Certificates of Participation Capital Lease Pool	Stormwater Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2004	1,000,000	-	4,345,000	560,000	1,670,605	3,555,000	-	-	11,130,605	498.07%	144.89
2005	-	4,200,000	4,075,000	505,000	-	3,555,000	1,750,000	-	14,085,000	609.09%	185.01
2006	-	4,200,000	3,755,000	445,000	-	3,555,000	1,675,000	-	13,630,000	562.04%	176.29
2007	-	3,949,280	3,415,000	385,000	-	3,555,000	1,590,000	-	12,894,280	505.20%	164.26
2008	-	3,065,522	3,060,000	320,000	-	3,555,000	1,500,000	-	11,500,522	420.75%	144.33
2009	-	2,119,974	2,685,000	250,000	-	3,555,000	1,405,000	-	10,014,974	371.52%	118.42
2010	-	1,102,082	2,290,000	175,000	202,321	3,555,000	1,305,000	-	8,629,403	315.61%	101.27
2011	-	-	1,875,000	90,000	157,159	3,555,000	1,200,000	470,839	7,347,998	269.09%	85.84
2012	1,500,000	-	1,440,000	-	110,530	3,555,000	1,090,000	325,700	8,021,230	n/a	93.16
2013	2,000,000	-	985,000	-	62,386	3,555,000	975,000	177,879	7,755,265	n/a	90.13

**Note:** Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.



**City of Conyers, Georgia**

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
June 30, 2013**

**Direct Debt**

General Obligation Indebtedness of City	\$ -
Contract-Backed Indebtedness of City	985,000
Lease-Purchase Obligations of City <sup>1</sup>	<u>3,617,385</u>
Total Direct Debt	\$ 4,602,385

**Overlapping Debt <sup>2</sup>**

General Obligation Indebtedness of Rockdale County	\$ 2,654,864
Contract-Backed Indebtedness of Rockdale County <sup>3</sup>	455,296
Lease-Purchase Obligations of Rockdale County	3,294,846
General Obligation Indebtedness of Rockdale County Schools	-
Lease-Purchase Obligations of Rockdale County Schools	<u>-</u>
Total Overlapping Debt	\$ 6,405,006

<b>Total Direct and Overlapping Debt</b>	<b><u><u>\$ 11,007,391</u></u></b>
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<sup>1</sup> Lease-purchase indebtedness of the City is not a general obligation of the City to which its full faith and credit and taxing power are pledged, but is subject to and depends upon annual appropriations of general revenues.

<sup>2</sup> The percentage and amount of each overlapping entity's outstanding debt chargeable to property in the City is calculated by dividing the gross assessed valuation of property in the City by the gross assessed valuation of property in the overlapping entity multiplied by the outstanding debt balance. The City's assessed valuation constitutes approximately 23.9% of the assessed value of property in Rockdale County and the Rockdale County School District.

<sup>3</sup> Contract-backed indebtedness of the County represents contractual obligations of the County to which its full faith and credit and taxing powers are pledged, but it is not counted against the County's debt limitation. The Rockdale County Water and Sewerage Authority Revenue Bonds, Series 2005, currently outstanding in the aggregate principal amount of \$99,030,000, the Conyers-Rockdale Big Haynes Impoundment Authority Revenue Bonds, Series 1998, currently outstanding in the principal amount of \$7,700,000, and the Snapping Shoals EMC Note Payable, currently outstanding in the principal amount of \$20,524, are contract-backed indebtedness of the County, but are not included in this number because the County makes the payments from the net revenues of its water and sewerage system.

**City of Conyers, Georgia**

**Legal Debt Margin Information  
Last Ten Fiscal Years**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$ 48,070,812	\$ 49,203,687	\$ 52,881,218	\$ 53,627,960	\$ 65,952,349	\$ 65,317,649	\$ 65,574,905	\$ 66,838,531	\$ 63,975,194	\$ 63,772,793
Total net debt applicable to limit	2,230,605	4,245,604	4,083,927	3,940,000	3,875,000	3,805,000	3,932,321	4,271,940	3,991,129	3,617,385
Legal debt margin	<u>\$ 45,840,207</u>	<u>\$ 44,958,083</u>	<u>\$ 48,797,291</u>	<u>\$ 49,687,960</u>	<u>\$ 62,077,349</u>	<u>\$ 61,512,649</u>	<u>\$ 61,642,584</u>	<u>\$ 62,566,591</u>	<u>\$ 59,984,065</u>	<u>\$ 60,155,408</u>
Total net debt applicable to the limit as a percentage of debt limit	4.64%	8.63%	7.72%	7.35%	5.88%	5.83%	6.00%	6.39%	6.24%	5.67%

**Legal Debt Margin Calculation for Fiscal Year 2013**

Assessed value	\$ 637,727,928
Debt limit (10% of assessed value)	63,772,793
 Total capital lease liability	 <u>3,617,385</u>
Total net debt applicable to limit	<u>          </u>
Legal debt margin	<u><u>\$ 60,155,408</u></u>

**City of Conyers, Georgia**

**Demographic and Economic Statistics  
Last Ten Fiscal Years**

<b>Year</b>	<b>Population (2)</b>	<b>Personal Income (2)</b>	<b>Per Capita Income (2)</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rate (1)</b>
2004	74,947	\$2,206,147	\$28,920	14,719	4.4%
2005	76,131	\$2,312,480	\$29,738	15,049	5.2%
2006	77,315	\$2,425,091	\$31,859	15,147	5.2%
2007	78,499	\$2,552,303	\$32,782	15,371	4.9%
2008	79,683	\$2,733,356	\$32,823	15,551	7.5%
2009	84,569	\$2,695,660	\$31,466	15,895	11.6%
2010	85,215	\$2,734,213	\$30,838	15,877	10.7%
2011	85,600(a)	\$2,730,734	\$31,840	15,727	11.6%
2012	85,820(a)	n/a	n/a	15,680	10.7%
2013	86,042(a)	n/a	n/a	15,930	9.6%

**Note:** The information presented is for the City of Conyers and Rockdale County, Georgia.

(a) estimated

n/a-data not available

**Sources:**

(1)Department of Labor

(2) Georgia State Office of Planning & Budget/US Bureau of Economic Analysis

(3) Rockdale County Board of Education

**City of Conyers, Georgia**

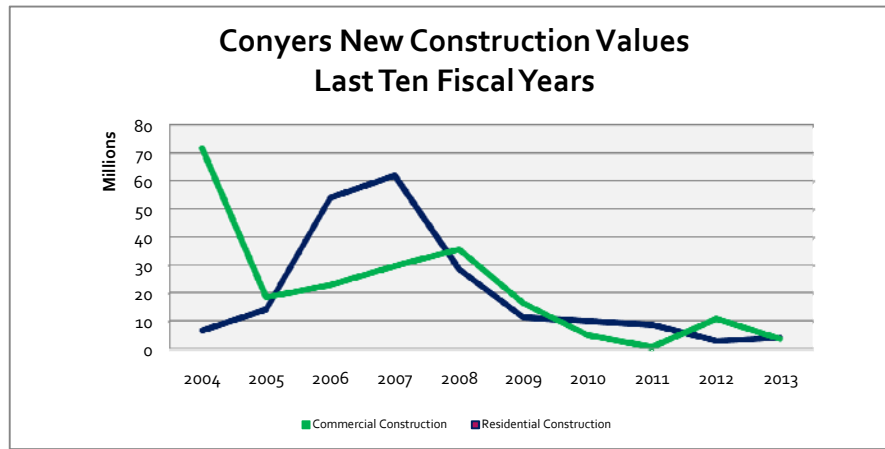
**PROPERTY VALUE and CONSTRUCTION  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Commercial Construction</u> (1)		<u>Residential Construction</u> (1)		<u>Real Property Value (2)</u>
	<u>Number of Units</u>	<u>Value</u>	<u>Number of Units</u>	<u>Value</u>	
2004	57	\$71,928,327	63	\$6,333,790	\$364,409,692
2005	70	\$18,317,126	195	\$13,933,117	\$380,563,362
2006	26	\$22,718,626	425	\$53,969,200	\$412,543,235
2007	34	\$29,504,557	251	\$61,855,674	\$455,663,858
2008	35	\$35,465,475	126	\$28,343,935	\$522,887,102
2009	20	\$16,136,285	71	\$11,082,910	\$549,926,869
2010	14	\$4,756,599	30	\$9,752,974	\$556,510,816
2011	3	\$555,000	27	\$8,462,106	\$514,331,365
2012	7	\$10,590,169	9	\$2,745,082	\$485,166,911
2013	6	\$3,363,988	13	\$3,786,683	\$472,312,937

**Sources:**

(1) City of Conyers Planning & Development Office

(2) Rockdale County Tax Commissioner



**City of Conyers, Georgia**

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2013			Taxpayer	2004		
	Employees (1)	Rank	Percentage of Total City Employment (2)		Employees	Rank	Percentage of Total City Employment
Rockdale County Public School System	2,100	1	13.82%	Rockdale County Public School System	2,025	1	n/a
Rockdale Medical Center	1,215	2	8.00%	Rockdale Medical Center	1,175	2	n/a
AT&T	1,000	3	6.58%	Biolab, Inc.	1,000	3	n/a
Rockdale County	935	4	6.15%	Pratt Industries	670	4	n/a
Acuity Brands/Lithonia Lighting	930	5	6.12%	Solo Cup Company	525	5	n/a
Hill-Phoenix	800	6	5.26%	Georgia Dept. of Transportation	500	6	n/a
PRATT Industries	800	7	5.26%	Wal-Mart Supercenter	500	7	n/a
Golden State Foods	480	8	3.16%	Golden State Foods Corp.	450	8	n/a
Solo Cup Company	450	9	2.96%	AT&T Communications	400	9	n/a
Wal-mart Supercenter	400	10	2.63%	Hill-Phoenix	350	10	n/a
Totals	9,110		59.95%		7,595		

**Note:** The information presented is for the City of Conyers and Rockdale County, Georgia

**Note:** The information for nine years ago was not available.

(1) Source: Conyers-Rockdale Economic Development Council

(2) Source: Georgia Department of Labor

**City of Conyers, Georgia**

**Full-time Equivalent City Government Employees by Function  
Last Ten Fiscal Years**

Function	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Government										
Mayor and Council	6	6	6	6	6	6	6	6	6	6
City Manager's Office	3	3	3	3	3	3	3	3	3	3
Administration	8	9	9	9	9	9	10	9	9	8
E-Services	0	0	0	0	2	2	3	3	3	3
Conyers Security Alert	3	3	3	3	3	3	2	2	2	2
Vehicle maintenance	3	4	4	4	4	4	4	4	4	4
Public Safety										
Police										
Officers	47	50	50	50	53	55	59	62	65	64
Civilians	3	1	1	2	3	3	4	4	4	4
Court services	5	8	8	6	6	8	6	8	10	10
Communications	12	13	13	14	14	15	15	18	18	15
Public Works & Transportation										
Planning & City Services *	0	0	0	0	0	0	0	0	0	0
Planning & Inspections	8	8	8	7	8	8	9	9	9	7
Landscape services	4	4	4	4	4	6	5	5	5	4
Infrastructure	10	10	10	11	11	11	11	9	9	9
Sanitation	8	10	10	12	13	14	13	14	14	13
Stormwater	1	1	1	2	3	3	3	4	4	4
Cultural and Recreation										
GIHP Administration	5	5	5	6	6	6	6	6	6	6
GIHP Maintenance	16	16	16	14	15	15	14	14	15	14
Public Relations & Tourism	7	7	7	8	7	7	7	7	7	6
Cherokee Run Golf Course	0	0	0	0	0	0	0	14	11	10
Total	<u>149</u>	<u>158</u>	<u>158</u>	<u>161</u>	<u>170</u>	<u>178</u>	<u>180</u>	<u>201</u>	<u>204</u>	<u>192</u>

\* Prior to fiscal year ending June 30, 2003, Public Works & Transportation and Planning & Inspections were in the same department.

\*\* Cherokee Run Golf Course was a new department in fiscal year 2011.

**Sources:** Various City departments

**City of Conyers, Georgia**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Government										
Tax bills generated	4,486	4,485	4,862	4,885	5,270	5,494	5,698	5,849	5,964	5,962
Number of liens processed	220	205	284	342	358	418	337	207	300	300
Building permits issued	221	179	508	365	159	126	108	87	91	107
New occupational tax	226	286	270	338	228	318	260	264	378	205
Police										
Physical arrests	1,670	1,752	1,961	2,408	2,063	1,966	2,104	2,044	2,110	2,117
Citations issued	8,916	8,272	7,837	8,951	7,207	6,600	10,612	6,705	8,146	7,631
Number of accidents reported	1,532	1,628	1,747	1,672	1,510	1,546	1,618	1,622	1,454	1,497
Number of incidents reported	2,959	3,295	3,311	3,702	3,337	3,127	3,256	3,318	3,535	3,387
Public Works & Transportation										
Traffic lights repaired	45	40	32	72	103	84	92	108	144	85
Potholes repaired	203	350	316	400	471	356	174	283	578	425
Tons of refuse collected	n/a	6,393	6,713	8,114	7,977	5,889	6,730	6,426	5,922	5,837
Miles of roads cleaned	n/a	n/a	n/a	n/a	n/a	548	73	100	84	120
Cultural and Recreation										
Number of events held	398	184	194	246	220	180	187	176	254	221

**Note:** Departments maintain statistical information on a fiscal year basis.

**Sources:** Various City departments

**City of Conyers, Georgia**

**Capital Asset Statistics by Function  
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	2
Patrol units	n/a	43	43	44	44	44	51	59	49	51
Patrol zones	3	3	3	3	4	4	4	4	4	4
Public Works										
Streets (miles)	82	82	82	82	82	84.54	84.54	84.54	84.54	84.54
Traffic signals	10	12	12	12	12	12	13	14	14	15
Street lights	800	800	800	870	870	1414	1,414	1,414	1,414	1,423
Culture and Recreation										
Parks and playgrounds	8	8	8	8	8	8	8	9	9	9
Community centers	1	1	1	1	1	1	1	1	1	1

**Sources:** Various City departments



## **COMPLIANCE SECTION**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

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**To the Honorable Mayor and Members  
of the City Council  
Conyers, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Conyers, Georgia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Conyers, Georgia's basic financial statements and have issued our report thereon dated November 18, 2013. Our report includes a reference to the changes in accounting principle resulting from the implementation of Government Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Conyers, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. According, this communication is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
November 18, 2013